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Upholds Lloyd's U.S. Practices; Cites Market, Other Values

Anthony C. Grover, chairman of the committee of Lloyd's, declared that under state surplus line laws there is a tendency toward more and more restrictions, both in the surplus lines field and also with respect to insured's right to place coverages directly in the non-admitted market. Testifying before the senate antitrust and monopoly subcommittee hearing on non-admitted insurers, Mr. Grover said he was hopeful that these restrictions would not be pressed to the extent that insured would be deprived of the benefits of the Lloyd's market.

Answering criticisms of Lloyd's cut rate practices, Mr. Grover pointed out that the organization can offer a product peculiarly adapted to the needs of

insured, at a cost in terms of overhead lower than that of corporate insurers. The savings are passed on to insured from whom there have been "few complaints."

Mr. Grover denied that Lloyd's does not bear a fair share of the tax burden on writings in the U. S. and asserted that his organization's coverage in this country "carry heavier taxation than that borne by admitted insurers."

Cites Taxation

Quite apart from the 4% stamp tax on Lloyd's writings, some 45 states now have statutes which impose a tax on surplus lines brokers placing coverage with non-admitted insurers. These taxes range from 2% to 6% of premium, Mr. Grover noted. Further—

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1960 List Of Bond Limits Published By U. S. Treasury

The 1960 list of companies qualifying to act as sureties on federal bonds has been published by the Treasury Department.

The list qualifies companies by states in which they are licensed and as to underwriting limitations on a single risk, the latter being 10% of surplus to policyholders as of Dec. 31, 1959. Insurers qualified for reinsurance only are marked with an asterisk (*).

Companies are shown with their qualifying powers for 1960 and for 1959. Newcomers to the list are those whose 1959 limitations are blank.

	1960	1959
*Accident & Cas.	916,000	868,000
Aetna Casualty	22,430,000	20,175,000
Allegheny Mut. Cas.	107,000	102,000
*Alliance	483,000	465,000
American Auto	4,621,000	4,355,000
Aetna Fire	8,924,000	8,231,000
American Cas.	2,244,000	2,216,000
American Central	898,000	845,000
American Credit Indem.	1,596,000	1,452,000
American Employers	2,367,000	2,159,000
American Fidelity	284,000	275,000
American General	2,287,000	2,081,000
American Guarantee	766,000	772,000
American Home	2,146,000	1,948,000
American Indem.	522,000	512,000
American	10,752,000	10,533,000
American Motorists	1,000,000	850,000
American Mut. Liab.	3,722,000	3,704,000
American Natl. Fire	785,000	775,000
American Re	3,363,000	3,124,000
American States	1,400,000	1,066,000
American Surety	2,213,000	2,435,000
Anchor Casualty	723,000	401,000
Argonaut	417,000	—
Associated Indemnity	1,213,000	1,142,000
Atlantic Mutual	3,193,000	3,096,000
Auto-Owners	1,360,000	1,339,000
Bankers & Shippers	1,108,000	—
Birmingham Fire	467,000	456,000
Boston	3,777,000	3,695,000
Buckeye Union Cas.	1,504,000	1,349,000
Camden Fire	2,103,000	2,048,000
Capital Indemnity	46,000	53,000
Carolina Casualty	210,000	212,000
Cascade	158,000	93,000
Celina Mutual	301,000	324,000
Centennial	693,000	689,000
Central Mutual	1,367,000	—
Central Surety	887,000	859,000
Cincinnati	114,000	100,000
Citizens Casualty	207,000	186,000
Citizens, N. J.	670,000	—
Columbia Casualty	876,000	836,000
Commercial	1,537,000	1,557,000
Commercial Standard	401,000	305,000
Commonwealth	826,000	784,000
Connecticut Fire	5,088,000	4,735,000
Connecticut Indem.	507,000	456,000
Continental Casualty	20,244,000	18,030,000

(CONTINUED ON PAGE 35)

State Farm F.&C. To Offer Market For Too Old, Too Young Driver

State Farm Fire & Casualty, the affiliate of State Farm Mutual Auto, on July 1 will begin writing in California a new automobile insurance plan under which single male drivers under age 25 and drivers over age 65 will be written at rates "comparable to those of most other companies but higher than those of State Farm Mutual."

The State Farm F.&C. program is designed to help depopulate the assigned risk plan and provide a market for drivers ordinarily unacceptable because of age, provided they meet the standards required of all applicants.

Effective July 1

The program becomes effective July 1 in California and in other states as soon as rates are filed and approved. Rate reductions ranging from 3 to 15% are offered for successive 6-month periods of accident-free driving.

Coverages will include BI, PDL, uninsured motorist, medical, comprehensive, collision and emergency road service in basic limits on BI and PD of 10/20/5, with higher limits available.

Insurers More Selective

Chairman Adlai H. Rust of State Farm pointed out that increasing the loss costs have tended to make insurers more selective. The State Farm F.&C. plan will provide a greater portion of drivers with adequate protection on a voluntary basis than is possible under State Farm's "careful driver only" concept or under the selective underwriting principles of other companies. "Our plan recognizes the responsibility of the insurance industry to voluntarily provide insurance to all deserving drivers, regardless of age or other factors beyond the control of the applicant for insurance—excluding, of course, the irresponsible fringe, which should not be licensed to drive anyway," he said.

Insurance Ad Men Hold Successful Parley In Florida

By CHARLES P. WOODS

MIAMI — Insurance Advertising Conference, having successfully departed last year from its tradition of meeting in the New York City area, tried another delightful way point for its 1960 gathering, and more than 100 registered at the hotel on Key Biscayne, Fla. In 1959 the meeting was at Williamsburg, Va., and the attendance set a record. Many members brought their families here, and their enthusiasm was not dampened by occasional rains.

Spending \$10 Billion

Ramsey Taylor, U.S.F.&G., program chairman, presided at the opening session, as the enormity of the advertising and public relations task facing the insurance industry was vividly described by J. Carroll Bateman, general manager Insurance Information Institute, who said advertisers now spend \$10 billion a year in communications media of all forms and it is reasonable to wonder if anyone is listening.

"If the general insurance business wants to have public understanding and support," he said, "it must be for those things the public can understand as being in its interest and will support. It is not sufficient for the in-

Newly Named LAHU Enjoys Vigorous Annual At Chicago

Stokes Becomes President;
S. L. Horman Receives
Gordon Memorial Award

By RICHARD G. EBEL

The convention at Chicago last week of International Assn. of Health Underwriters, which went into the annual meeting known as International Assn. of A&H Underwriters, was a real swingin' affair what with music about as dulcet and soothing as that of the Firehouse Five plus Two to match the lively sales orations.

Registration Is 400

Some 400 registrants found the three days a bit noisy but businesslike and abundant with sales ideas. No hysteria caused by Forand and his ilk could be detected, and though the threat of undesirable federal legislation remains a possibility, the program concentrated on selling and presented several notable sales speakers, who generated enthusiasm. Whenever this lagged, there was the combo at the coffee break to blast out dixieland and the Minnesota Rouser.

As always, one of the highlights of the meeting was the presentation of the Harold R. Gordon memorial award,

(CONTINUED ON PAGE 4)

Sheldon Marks 50th Insurance Birthday



Principals at the dinner honoring Walter Sheldon on his 50th insurance anniversary: From left, Nicholas Dekker, president America Fore Loyalty group; Allan I. Wolff, Associated Agencies of Chicago; William J. Ryan, Alexander & Co.; Wade Fetzler Jr., Alexander & Co.; Mr. Sheldon, executive vice-president of Alexander & Co. and guest of honor; Guy T. Warfield, Baltimore agent, and Milton W. Mays, vice-president America Fore group. Messrs. Wolff, Ryan, Fetzler, Warfield and Mays constituted the committee which organized the party.

Nearly 200 insurance friends and members of the family of Walter M. Sheldon attended a party this week to celebrate Mr. Sheldon's 50th year in the insurance business. The anniversary was observed in formal fashion with a reception and dinner at the Sheraton-Blackstone Hotel, Chicago, but Mr. Sheldon had marked the occa-

sion earlier in the day by flying back from a three-month vacation in Europe with Mrs. Sheldon to be in his office in the Alexander & Co. agency ready for business as he was when he started to work for Fireman's Fund on June 20, 1910.

Mr. Sheldon is executive vice-pres—

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Deactivated Members Of Management Are Obstacle To Company Progress

By JOHN N. COSGROVE

In current discussions on improving the marketing practices of agency insurers, every pertinent phase of reorganization seems to have been explored except the most important one. That is the pressing need to make better use of the management talent of the individual insurer. If this is not accomplished, new marketing divisions may be formed in vain, increased advertising budgets may be dissipated in a fruitless cause, and all innovations and maneuvers may be essentially meaningless.

It is questionable whether some in-

surers are getting maximum mileage out of all members of management. This is not because of the inability or unwillingness of individuals to perform. It may be because their duties are ill defined, or because they have been "slotted" in a company organizational plan which developed more by adherence to tradition than by functional design. The company president who knows exactly what contribution each management job—and its incumbent—is making toward the goal of profitable operation of the enterprise, need have no concern with the problem of getting the most out of his management staff. But how many company presidents have that precise information?

Promoted Out Of Activity

In many businesses—and notably in insurance—promotional practices are on a vertical basis. As a man improves his performance and merits recognition he is moved up the ladder with successive changes in title. Finally, he reaches the point where he is given an executive title—such as assistant secretary or assistant vice-president. The new official is given "broader administrative duties," but they are not always clearly defined.

It is obvious that this new officer is not a member of top management. In most companies that is made up of a hard core of three or four senior officials. True, they consult various

committees of fellow officials, but decisions, more often than not, are made by the small group at the top.

The new official is also moved up and out of the daily functional area. He has been succeeded by someone, probably called a manager, a superintendent or a supervisor, who rides herd on the daily detail of the department.

Thus the fledgling assistant secretary—or whatever his title may be—is sometimes squeezed into a no-man's land between the real top management and the functional area where he formerly performed. The very titles of these junior officials contribute psych-

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Gerber Clears Air On Hopps' Charges

By WILLIAM H. FALTSEK

At a special press conference last week in Chicago, Director Joseph S. Gerber of Illinois distributed copies of a statement he has filed with the O'Mahoney subcommittee of the Senate. Mr. Gerber explained the statement was prepared for insertion in the record of the proceedings of the subcommittee. It contains a categorical denial of the charges made against him (and played up heavily in some of the Chicago newspapers) by Stewart B. Hopps when he appeared before the subcommittee.

Appearing on the front page of Chicago's American the day of the press conference was an article apparently gleaned from Mr. Gerber's statement but with a rather weird departure from its general tone. A big three-line headline stated: "Gerber Charges Plot to Wreck Insurance Curbs." Mr. Gerber did point out at the conference that Mr. Hopps spoke before the subcommittee as an exponent of federal regulation, but that was all he said on the subject. Another point he brought out was that Sen. O'Mahoney had written him to say that in no way was the inclusion of his name a personal attack on him and that the matter had been dropped.

Confusion Compounded

The Chicago Sun-Times, which gave considerable space and prominence to the original story, headlined its report of the press conference: "U. S. Senate Drops Probe of Gerber, State Insurance Chief." There never was a probe of Mr. Gerber or anything like it. The Sun-Times story compounded the confusion by leading off its story with: "Joseph S. Gerber, state insurance director, said Thursday a Senate subcommittee has dropped an investigation of his insurance dealings . . ."

The Chicago Tribune handled the statement as a routine item. The Daily News ran nothing.

As it turned out, while Mr. Gerber did get his side of the story in the record in Washington, the publicity he received from his press conference was so unfortunate that this intended additional aid to the cause might better have been omitted.

Manchester (Conn.) Assn. of Insurance Agents has elected Fred T. Baker president, Frank P. Sheldon vice-president, and Alfred P. Werbner secretary-treasurer.

Great American Has Homeowners Plan With New Features

Economizer Cover, One Of Four Forms, Emphasizes Simplicity, Easy Sale

Great American has developed an independent homeowners program which has been approved in Michigan, Illinois and Arizona, and is being introduced in California. Filings are presently contemplated in a limited number of additional states, with plans for broadening the geographic scope of the program at a later date.

The program includes the "economizer" policy; a broad form 2; special dwelling form 3, and a residence-contents broad form 4.

The "economizer" is designed specifically for the average homeowner who requires a minimum of flexibility in coverage. The policy is a modification of the 1959 form 2, offered at lower cost than the 1959 form 1.

Specific Features

Under the "economizer," the permissible dwelling amounts range from \$5,000 to \$30,000 compared with the 1959 homeowners which provides an unlimited range starting at \$8,000. A \$50 deductible applies to all losses, with no provision for buy-back or elimination. The basic CPL and the medical payments limits of \$10,000 and \$250, may be increased in limited steps to a maximum of \$100,000 and \$1,000. The latter feature is the only flexibility in the form. Outdoor TV and radio antennas are excluded from wind and hail coverage. Fire department service charges are included as a basic cover. Liability protection is specifically excluded with respect to swimming and wading pools in excess of 30 inches in depth, and coverage is excluded on outboard motors in excess of 15 horsepower.

Great American's new forms 2, 3 and 4 are similar to the 1959 forms 2, 3 and 4, with certain variations. The company is not offering policies comparable to the 1959 forms 1 and 5. Great American believes that its economizer will meet the needs of the market for the 1959 form 1, and that its forms 3 and 4 will take care of insured who need broad coverage.

Alaska Plane Hull Valued At \$500,000

The Pacific Northern Airlines Lockheed 749-Constellation, which crashed on a flight from Seattle to Anchorage, was insured with U. S. Aviation Underwriters. The hull was valued at approximately \$500,000.

Ia. Mutual Reinsured

DES MOINES—Farmers Casualty of Des Moines has taken over the business of Farm & City Mutual of Des Moines. Officers and directors of Farmers Casualty will manage both mutuals, with identity of each to be retained at the present time.

Milo I. Bowles of Indianola, president Farmers Casualty, will take over as president of Farm & City Mutual, succeeding Forest Huttenlocher of Des Moines. Other officers include W. S. Clark as vice-president and George W. Bowles as secretary-treasurer.

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Newly Named IAHU Enjoys Vigorous Annual

(CONTINUED FROM PAGE 1)

which went this year to S. L. Horman, vice-president of Time of Milwaukee. He was cited for contributions to both the company and agency side of the business. He devoted much effort to opposing compulsory cash sickness legislation in Wisconsin and was instrumental in equalizing the premium tax on health insurance in that state. In his acceptance remarks, Mr. Horman opined that the American agency system is more secure than it has ever been, and that the federal government cannot do the job of insuring the public.

F. Kenneth Stoakes, Loyal Protective Life, Los Angeles, succeeded Oakley Baskin, Mutual Benefit H.A., Buffalo, as president. Paul M. Klein, Mid American, Kansas City, Kan., was named president-elect, and new vice-presidents are Milton L. Rose, Paul Revere Life, Los Angeles, and John J. Symanitz, Inter-State Assurance, Minneapolis. Jay De Young, De Young & Associates, Oak Park, Ill., perennial controller, was reelected.

In his presidential report, Mr. Baskin took note of the association's distribution of 100,000 pamphlets combating the Forand bill and representation before the House ways and means committee in Washington. He lamented the published views of Social Security Commissioner Schottland, who remarked that saving for the "rainy day" of old age and cultural beliefs about individual responsibility are "hangovers from an earlier social economic era" which "hinder the fullest and most effective use of the instrument of social legislation."

Said Mr. Baskin: "When an official of our government, in a high position in one of our bureaus, condemns the idea of individual responsibility, it becomes an alarming situation."

He found encouragement in the success of the local associations, observing that two qualities of successful associations are development of leadership that can carry on after the present administration and maintenance of adequate records.

Indication that Congress may come up with something in old age health legislation that is acceptable to IAHU was given in the legislation report by E. H. O'Connor, Insurance Economics Society. He urged his listeners to exhort their congressmen to support the Mills bill, which has been reported favorably out of the House ways and means committee. This bill, he said, would provide medical care for the low income aged who really need the help, and under a federal-state grant-in-aid program, would cost \$325 million, far less than any bill offered heretofore.

Compulsory Features Blocked Passage

Commenting on the Forand bill, Mr. O'Connor opined that it was the compulsory features of the bill that gave the majority of legislators cold feet and blocked its passage.

The meeting marked the 30th anniversary of the association, which began its second 30 years with a new name. The abbreviated appellation was unanimously approved to conform with the term becoming more commonly used to identify the business.

A resolution was passed authorizing



Officers of IAHU are, from left: Oakley Baskin, Mutual Benefit H.A., Buffalo, outgoing president; F. Kenneth Stoakes, Loyal Protective Life, Los Angeles, president; Paul M. Klein, Mid American Ins. Co., Kansas City, Kan., president-elect; John J. Symanitz, Inter-State Assurance, Minneapolis, vice-president; and Jay De Young, De Young & Associates, Oak Park, Ill., controller. Absent from picture is Milton L. Rose, Paul Revere Life, Los Angeles, vice-president.

a wire to Speaker of the House Rayburn protesting the Long amendment to HR 11045. The bill would reopen NSLI for veterans and the amendment would offer health insurance under NSLI.

In another resolution, IAHU commended companies for developing coverage for the aged and urged that efforts in this direction be continued.

W. Harold Petersen, Underwriters National, announced that DITC will augment and supplant its classroom instruction program with advanced underwriting seminars, the first of which will be held this fall at Purdue University.

New DITC officers elected at their meeting are Paul Light, Pan-American Life, president; William Harmelin, Continental Assurance, New York, vice-president, and Harold Moore, Hoosier Casualty, secretary-treasurer.

The blessings of health insurance were appraised by the keynote speaker, Rex Anderson, vice-president of Life of North America. "We are proud of what accident and sickness insurance does for those whom we sell," he said, this being before "accident and sickness" went out and "health insurance" came in.

"A&S will give a family a home that won't be taken away, give children their mother's time, warm clothing, good food, the happiness that comes from security; it gives a home continuity, it gives a family life, because a family dies when its members scatter. The thing that holds a family together is income."

Mr. Anderson then described how health insurance can protect the mortgage, pay medical expenses, send children to school, and enable the disabled proprietor to keep his business.

The inspirational sis-boom-bah of selling was provided by the final day speakers—Jack Schwartz, Los Angeles; W. Clement Stone, president of Combined companies; and Frank Bettger, salesman and author, who exhibited the enthusiasm which enabled him to become a major league baseball player and a major league salesman.

Mr. Schwartz demonstrated his sales techniques in using the telephone, an instrument which he said he regards as a "broadcasting station." The prerequisite of sales success is to expose oneself. This can be implemented best by the telephone, which permits the agent in one hour each day to call 10 prospects a day, 50 prospects a week and so on.

Mr. Schwartz said he earns \$5.60

every time he picks up the receiver on the basis of averaging the results. He made several random calls, and by his logic was \$28 richer at the end of his demonstration. Not all of his calls reached the intended party, including one to presidential secretary Ann Wheaton at the White House, but he got his point across: Just about any person who answers is a bonafide prospect.

A panel moderated by Mr. Stone analyzed and made recommendations for agents' problems. Participants were Robert Main, All American L&C; R. W. Michaels, Buffalo; and Richard Plasschaert, Ballin agency, Newark. Mr. Stone, an exponent of positive mental attitude, rhapsodized its vir-

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Super-Selectivity Is Creating Crisis In Dwelling Field

**Miss. Agents Review
Problems; Jones President;
Bobo Succeeds Brewer**

By KENNETH O. FORCE

EDGEWATER PARK—One of the critical problems in Mississippi—and elsewhere—is a market for low value dwellings. With increasing competition for homeowners business, the insurers have become more selective. Some have established \$5,000 minimums, yet there are thousands of units of less than \$5,000 value, unencumbered, and agents are having an increasingly tougher time placing them. Super-selectivity also is making itself felt in automobile—and the market stringency in both fields is attracting



T. L. DeLashmet Jr.



Clant Seay



David J. Brewer

legislative attention.

This situation was brought out at the annual convention of Mississippi Assn. of Insurance Agents.

More than 400 attended the meeting, a big turnout for the affair. Many of them were small fry. For nine years the association has offered a special program for "junior agents," children of members, with tours, games, and entertainment—and, even, corsages for the young misses the evening of the banquet. The feature has proved so popular that other associations holding conventions in non-school months are picking it up.

Jones, Harry, Bobo, Seay Elected

R. Henry Jones of Columbus was elected president of the association, and William L. Harry, Columbia, vice-president. Robert E. Bobo Sr., Clarksdale, was named state national director to succeed David J. Brewer, Greenwood, who had served six years. Clant M. Seay continues as secretary-manager, a post in which he has attracted state commendation and national attention.

New directors are T. D. DeLashmet Jr. of Moss Point, outgoing president; Willis Puckett of Columbus, Harold Eustis of Greenville, L. O. Heiden of Jackson, E. G. Mixon of McComb, and James Robinson of Louisville.

Mr. Jones, a past president of Columbus Chamber of Commerce and Columbus Exchange Club, has been active in the association since he joined the Swoope agency there in 1937. He has served as chairman of the mem-

bership and public relations committees, as a director, and as an executive committeeman.

Six speakers from out of state discussed present problems and future opportunities in the business. Their remarks are reported separately.

The association adopted a resolution urging the state insurance commission and the companies to continue their efforts to ease the market for low value dwellings.

Market Has Dried Up

Companies deviating on dwelling risks will not write low value properties, Mr. DeLashmet observed in his administration report. Many insurers that do not deviate will not write them. Consequently, the market for insuring such properties almost has ceased to exist.

One company found on analysis that in 1958 in Mississippi dwelling coverage up to \$5,000 had a loss ratio of 74.5; \$5,000 to \$8,000 51.1, and \$8,000 over 40.5. On the under-\$5,000 structures there were 1,200 claims against 277 for coverage of \$8,000 and up.

Another insurer, for the same period and territory, found its loss ratio was 85.2 on dwellings insured for up to \$1,500; 36.5 on \$2,500 to \$5,000, and 22 on \$5,000 and over.

Average Loss Ratio Given

The average loss ratio for 13 stock insurers which deviate was 24, according to reports filed with the insurance department, Mr. DeLashmet said. He wondered if agents and companies are going to continue to write low value dwellings that are producing high loss ratios and use this experience in the rating of other dwelling business. The charge of discrimination is leveled at the idea of getting higher rates for lower values, yet presently owners of better homes are being discriminated against because of excessively high losses in the low value structures.

He said agents have an obligation to write the low value units. But rates must be adjusted. As the better dwelling business goes to deviating and dividend paying companies, agents will have to take on deviating companies, he declared.

Want Mutual Experience

The association also adopted a resolution asking the insurance commission to review the present fire rating law to determine if it would be legal to use experience of both stock and mutual insurers in making fire and EC rates.

Mississippi has changed the basis for fire rates from written and paid to earned-incurred and from giving each year's experience in five years equal weight to a weighting of 30, 25, 20, 15 and 10%, newest to oldest years. Mr. DeLashmet said agents question the legality of this change, especially since EC still is rated written-paid and with equal weight given each year's experience.

The deferred premium payment

plan became effective in the state during the past year.

The association has appointed a filing committee, Mr. DeLashmet reported. The five member group studies closely filings made with the commission to make sure all aspects are considered. The change in the fire rating base, he said, is a good indication of the need for the committee.

It also illustrates the need of a commission actuary, he said. The convention adopted a resolution commending Commissioner Walter Dell Davis for the assurance in his talk at the meeting that he plans soon to retain an actuary. Mr. Davis also said he planned to appoint an advisory board in connection with the agents' licensing law and that the department intends to more clearly define what business may be written as surplus lines in the state.

Need Experienced Man

Mr. DeLashmet wondered why Mr. Davis has failed, for the first time in 36 years, to appoint a stock company agent to the insurance commission. Mr. Davis's appointee is a successful man, Mr. DeLashmet observed, but insurance is so complex, he said, that there is no substitute for a man experienced in the business to make intelligent decisions on filings presented to the commission.

The association also adopted one resolution against secondary boycotts at construction sites because they in-

crease costs and stifle innovation, and another urging Congress to clarify the tax deductibility of association expenditures for legislative activities. Mr. Eustis was chairman of the resolutions committee.

Mr. DeLashmet also reported that as a result of the association's protest, the insurance commission adopted an order requiring an insurer desiring to deviate from state rating bureau rates to do so in strict compliance with the code. Also, any such deviation shall be accompanied by complete supporting and statistical data, and shall be effective for one year only unless terminated sooner with approval of the commission.

This action stemmed from a ruling by the attorney general permitting stock fire insurers to deviate downward uniformly on risks of a particular type, the deviation to be applied on a one risk basis. The ruling came after bids were asked for insurance on certain properties of state colleges and universities. Two special deviations were filed, one for a reduction of 30% on a one risk base and the other 30.5% on the classification. The attorney general's opinion could have played havoc with the business as now conducted in the state, Mr. DeLashmet observed.

School Cover Via Bids

During the year, several municipalities and school districts obtained

(CONTINUED ON PAGE 17)

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DAYTONA BEACH, FLA.

Hartford Life Makes Bow On 150th Birthday Of Hartford Fire Group

Hartford Fire has changed the name of its life affiliate, Columbian National Life, to Hartford Life, thus extending the group's underwriting facilities to include the only major line not previously available from a company with the Hartford name. The change is part of the group's 150th anniversary observance and is effective on June 27, the date of the group's founding. All group offices will be closed that day.

James C. Hullett, president of the group, said that the public is indicating its preference for having one agent handle complete insurance programs. By making life facilities available to its 34,000 fire and casualty agents, the group is fulfilling this need. The life company, licensed in all states except Alaska and Hawaii, is also licensed in the District of Columbia and is registered in Canada.

The group has published a lavishly illustrated historical brochure detail-

ing significant events in its history.

Mr. Hullett noted that other developments in the 150th anniversary year included a two-for-one stock split; a 100% stock dividend; a 46% increase in the dividend rate; one month's salary bonus to each of its 12,000 staff members and one month's benefit to retirees and those receiving widows' pensions.

Parallels U.S. Growth

The company, whose growth parallels the economic development of the U.S., was capitalized at \$150,000. Of this, \$15,000 was paid in cash, the remainder being pledged in stockholders' personal assets. Last year, on the eve of the 150th anniversary, Hartford assets surpassed \$1 billion. Premium income was \$478,286,293.

In its 150 years, the group has played an important role in historic events. The first critical test came in

1835 on another Hartford anniversary, the 25th, when fire levelled most of New York City.

According to accounts of the New York disaster in a Random House book, "The Hartford of Hartford," which is soon to be published, the then president of the company pledged his personal funds to settle claims. He made the hazardous 104 mile journey to New York by sleigh and paid the claims in full. This action is credited with creating public confidence in insurance.

Other History Traced

Another severe strain was placed on the company's finances after the great Chicago fire of 1871 when claims totalling \$1,968,225 were paid in full without a single case of litigation. Some 68 other companies failed, while 83 only paid in part.

The severest test of the Hartford and of other companies was the San Francisco earthquake and fire in 1906. Hartford group paid \$11,557,365 in claims, the largest amount ever paid by any insurer in a single disaster up to that time. Hartford's San Francisco offices and most of its records were destroyed. Many claims, although unsubstantiated either by policy or record, were paid on the mere recollection of agents who had sold the policies.

Following the San Francisco catastrophe and the coming of the automobile, Hartford Fire entered the greatest period of growth in its history. In 1913, the company entered the then new casualty insurance business through organization of its wholly-owned subsidiary, Hartford Accident.

Company Innovations

Hartford group has been a pioneer in many unusual types of coverage. In 1916, Hartford Live Stock was founded and immediately proved successful. The company initiated crop-hail insurance. Insurance on valuable purebred stock has also been a Hartford specialty. The first rain policy was written by the Hartford in 1920 to cover an Oklahoma rodeo. Hartford paid \$2,000 when rain fell.

Of the group's more than 12,000 staff members now at departmental offices in Chicago, Cincinnati, Dallas, Minneapolis, San Francisco, Atlanta, New York, Hartford, and Toronto, and at other offices in the U.S. and Canada, fewer than 2,000 are at the home office. Accompanying the decentralization

Zurich Promotes 7; Kohn, Coyne Are Named Secretaries

Executive promotions in the head office and on both coasts have been made by Zurich.

At the head office, Robert J. Coyne



Paul L. Kohn



Robert J. Coyne

and Paul L. Kohn have been promoted from assistant secretary to secretary. Robert F. Keller, superintendent of fire and inland marine underwriting, and William E. Thomas, superintendent of A&S underwriting, have been appointed assistant secretaries.

At New York, Roland P. Richards, assistant secretary, has been named resident secretary effective Aug. 1. Richard J. Waters, Seattle branch manager, will transfer to New York, where he will be resident assistant secretary. Robert J. Deardorf, of the Portland, Ore., office, will move to Seattle, succeeding Mr. Waters there as branch manager.

Mr. Coyne joined Zurich in 1957 as assistant superintendent of midwest agencies, with a 13-year background in insurance underwriting and produc-

(CONTINUED ON PAGE 30)

of operations is the consolidation of activities of affiliated companies, and a major building program.

A \$20 million skyscraper is under construction at Chicago to house the western department. The group has announced its intention to build a multi-million-dollar Pacific department headquarters in San Francisco's extensive redevelopment project. Another building is being erected in Cincinnati for the central department. The company also occupied a new 14-story structure at Dallas earlier this year.



A non-profit corporation established to promote and perpetuate the sport of karting on a national level. Membership is comprised of track owners, operators and promoters, kart owners and drivers, distributors and dealers, manufacturers and associated industries.

In general terms these are some of the services currently being provided members of United States Kart Association:

A COMPREHENSIVE NATIONAL INSURANCE PROGRAM

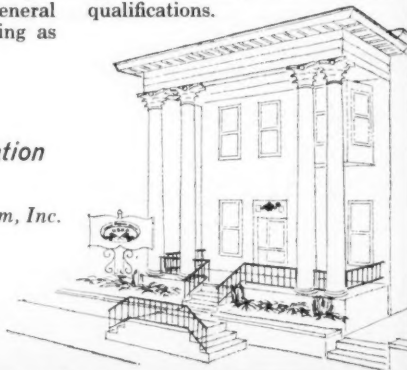
Complete liability coverage for track owners, operators and promoters. Personal liability and medical expense coverage is also available for kart owners and drivers. Product liability coverage is available to manufacturers.

AN EFFECTIVE PUBLIC RELATIONS PROGRAM

The program, including aid in establishment of desirable legislation, needed to secure general public acceptance of karting as a wholesome sport.

STANDARDIZATION

Universally accepted and standardized track specifications, kart specifications, and driver qualifications.



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Wake Up Your Sales with Anchor's Motel Owner's Policy!

Step into America's exploding insurance market—a dynamic field of growth which already boasts of 1,197,000 rental units with an annual sales volume of \$2¼ billion. Sell owners the one packaged policy that has "everything" . . . at a substantial saving. Convenient installment payments—credit for existing coverage. Motel owners in your territory are waiting to be sold!

MULTIPLE LINE FACILITIES

ANCHOR
CASUALTY COMPANY
St. Paul 14, Minnesota

Queen City
INSURANCE COMPANY
St. Paul 14, Minnesota



"Would you have spotted this coverage flaw that won me a \$1,000,000 account?"

by a Philadelphia insurance agent

"For some time, I handled a small part of a large manufacturer's insurance program, and kept my eye peeled for bigger things . . . without much success, I'm afraid.

"Then one day I happened to be talking with Tom McLaughlin, an Underwriter for *The American*. As I described my client's program to him, Tom questioned the need for the separate Profits and Commissions policy which the manufacturer was carrying, through another agent, to cover loss of profits on his finished stock inventory.

"Checking further, Tom and I discovered that the values being reported by the manufacturer, under a Stock Reporting clause policy, included the selling price value of his finished stock. By attaching the selling price clause to the Reporting Form policy, we could completely drop the separate Profits and Commissions policy and save my client \$500 on premiums annually!

"As a result, I wrapped up the entire fire line . . . \$100,000 on buildings and contents, and \$900,000 Stock Reporter. That's why it's such a pleasure to do business with Tom and *The American*. It means more business for me!"

You, too, can help yourself to extra income by taking advantage of *The American's* fine reputation, multiple line facilities and excellent branch office services . . . offering authoritative underwriting, prompt policy-writing, expert engineering, premium auditing and speedy claim attention. Contact your closest branch office. Let us prove to you that *The American* means business . . . MORE BUSINESS FOR YOU.

THE American Insurance Group

NEWARK 1, NEW JERSEY

The American Insurance Company • American Automobile Insurance Company • Associated Indemnity Corporation

ACCIDENT & HEALTH • AUTOMOBILE • BONDS • BURGLARY • FIRE & ALLIED LINES • GENERAL LIABILITY
GLASS • INLAND & OCEAN MARINE • MULTIPLE PERIL • WORKMEN'S COMPENSATION

Newly Named IAHU Has Vigorous Annual

(CONTINUED FROM PAGE 4)

tues while a piano accompanied a portion of his talk. Relating his own success, he said his prescription for the same consisted of (a) inspirational motivation, and (b) know-how. To become successful, he said, an agent must be able to see an opportunity in every adversity.

Audio-Visual Selling

A substantial portion of the program was devoted to audio-visual selling. E. L. Barrett, president Elba Corp., and Richard Gilmore, Continental Casualty, discussed and demonstrated audio-visual materials, and a screening of films was held Thursday afternoon.

The basic assumption in health insurance, Mr. Gilmore said, is that income protection is the most important product that the company has to offer and that the public has to buy. The public does not wholeheartedly accept this. Many parts of the insurance industry itself are not sold on the idea.

He related the manifold problems

that his company experienced in developing and producing its own film. "We debated the advantages of general appeal vs specific appeal; of male vs female appeal, and of accident vs sickness presentation. We had to decide whether to demonstrate the benefit or not, and if so, how much and how long; and whether or not to specify cost.

"We decided that if we were to eliminate the initial objections to the health insurance sale, we had to incorporate appeals that were both emotional and logical, with certain power-phrased tie-ins."

For a company interested in testing audio-visual material, Mr. Gilmore had this advice: Select a good agency in the local area; don't oversell or overtrain the producers; test audio-visual material in as many situations as possible; evaluate the results against the agency's pre-audio-visual production by keeping close tabs on individual calls.

He said that Continental's experience with audio-visual materials had

shown these major advantages in their use: (1) Aids recruiting and training; (2) gives the producer confidence; (3) makes it easier to reach and to convince the prospect; (4) sells a better plan at a higher premium, and (5) makes it easier to get referrals.

Mr. Gilmore related Continental's success with the average consumer. Over 85% of those approached, he said, were actually motivated toward purchase after seeing the audio-visual demonstration, and sales were made on 40% of calls of all kinds.

Hold Breakfast Sessions

Breakfast sessions were held for Leading Producer Round Table qualifiers and DITC trustees and instructors. J. Will Paull, Associated Trades Underwriters, Detroit, addressed the former, and W. Harold Peterson, Underwriters National, presided at the DITC breakfast.

A friendly rivalry between the Chicago and Indianapolis associations over which was larger pervaded the meeting. With 187 members at the end of the May 31 official year, the Chicago association was the largest, a fact which the Indianapolis people had

difficulty accepting because at convention time they had passed Chicago.

A certain element not entirely pertinent to insurance was injected into the program, adding to the interest and enjoyment. Bill Veeck, colorful owner of the Chicago White Sox, spoke at the Wednesday luncheon and managed to be entertaining despite his team's being in the midst of a seven-game losing streak to the Yankees. A pleasant innovation this year—that of crowning "Miss A&H"—was performed at the luncheon, and Sandie Keiler, a blonde from Bankers L&C, received an engraved loving cup in recognition of her accomplishment.

Nineteen Get Awards

IAHU bestowed distinguished service awards to 19 individuals. The recipients were Arnie Bruheim, North American L&C., Minneapolis; Wallace L. Clapp, Eastern Underwriter, New York; John Galloway, Provident L&A., Birmingham; Frank Gabor, Gabor & Co., Miami; Herman Harrison, Harrison & Lawrence, Cincinnati; Paul Keller, Mutual Benefit H&A., Portland, Ore.; William A. Knight, Federal L&C.; Cleveland; Virgil McVicker, Transportation Ins. Co., Wichita; and Daniel X. Marlowe, Provident L&A., Chicago.

Also, Howard E. Nevenon, Washington National, Los Angeles; M. E. Noblet, North American L&C., Indianapolis; J. Will Paull, Associates Life, Detroit; Blanche I. Ritter, McKinnon & Mooney Insurance Service, Flint, Mich.; William E. Reinsch, Massachusetts Bonding, Omaha; Rollin B. Smith, Washington National, Oklahoma City; John J. Symanitz, Inter-State Assurance, Minneapolis; J. Russell Townsend Jr., Indiana state senator; and James Underwood, Mutual Benefit H&A., Peoria.

A special award was also given to Mr. Reinsh, who is retiring from the board.

In one of the final matters of business, the association received bids for future convention sites. The 1961 meeting will be held June 12-14 at the Waldorf-Astoria, New York.

No Further Anti-Trust Hearings In Prospect

Donald P. McHugh, counsel to the O'Mahoney anti-trust and monopoly subcommittee investigating insurance, has indicated that further hearings are doubtful since the members are busy with last minute affairs before Congress adjourns.

The subcommittee staff said the views of the Treasury department on tax problems related to foreign companies would be desirable. If personal testimony becomes impractical, the treasury is expected to file a statement at the subcommittee's invitation.

The unit's report on aviation, ocean marine and other phases of its insurance investigation will be filed after receipt of minority views which may be available late this week, Mr. McHugh stated.

Prepare Springfield F.&M., Freeport Stock Exchange

Springfield F.&M. has filed a statement with Securities & Exchange Commission to register 145,741 shares of common stock in connection with the previously announced stock exchange offer of 1.1 share of its stock for 1 share of Freeport.

The offer is subject to the condition that before the expiration date in August, holders of not less than 105,994 shares—80% of outstanding stock of Freeport shall tender their holdings.

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*Remember,
 INSPECTION
 is our middle name.*

Hartford 2, Connecticut

This advertisement appears in BUSINESS WEEK, June 25, and UNITED STATES INVESTOR, June 27, 1960.

Sales Training Specialists Find Agents Averse To Hard Selling

Sometimes the causes of and solutions to problems of the agency system are most effectively pinpointed by "outsiders." One organization in this category—Merrett-Adams Training Institute of Shreveport—has concerned itself with current problems of agents and has developed a number of practical programs to deal with them.

The firm believes that an agent will fight soonest and hardest when there is a threat to his independence. Agencies are merging or buying other agencies to attain enough strength to remain independent. Agents are supporting the Big-I campaign built around the independence theme. An agent's primary reason for supporting

changes, movements, programs and legislative proposals is invariably to remain independent—on a profitable basis.

Having proved the soundness of their methods in such varied fields as bank business development, agricultural chemicals, steel products, life insurance, route sales (bakery goods, beverages, coffee, dairy products, etc.) and securities, Merrett-Adams became interested in the fire-casualty insurance business when James T. Adams, the firm's president, consented to fill a one hour gap at an annual meeting

of Louisiana Assn. of Insurance Agents.

During this hour, discussion was thrown open on the subject: "Why Should I Buy Insurance from an Independent Agent?" Mr. Adams found that the results were shocking. It was nearly unbelievable that so large a group, whose entire livelihood depended on selling, could offer so few reasons why insured should buy from them instead of from their competitors.

Mr. Adams and one of his senior associates, W. T. Harris, vice-president, decided to follow through on research into agency matters. One of their first discoveries was that most agents look for every possible excuse to stay behind their desks. The agent wants to be almost anything but a salesman. Call him an analyst, specialist, consultant, counsellor—anything—but don't call him a salesman, or even think of him as one.

Analyzing the reasons for this attitude, the firm found that in the past, the agent did not need to be a salesman in order to succeed. The agent, therefore, devoted study to insurance, but not how to sell it. Now, his competitors are selling rings around him, and he doesn't have the confidence in his own selling skills so necessary for sales success. It is no wonder, the firm concluded, that the agent avoids selling contacts. To face today's intelligent, sales-wary insured, without modern, scientific selling skills, is an experience no one enjoys.

Training In Sales

It is the very independence of the agent—the freedom for which he now fights—that puts him in this awkward position, Merrett-Adams maintains. It was his independent status that permitted him to stay in operation this long without learning to sell. Had the agent been an employee—a "captive" of a company—he would have learned to sell—or else—long ago.

In every other business, the large firms offer, sponsor and insist on training in selling skills. They know that all business is competing for the consumer dollar, whether it is autos, appliances, clothing or insurance that is being merchandised.

The agent is fond of saying that his competition is outselling him because of price. Merrett-Adams grants that lower premiums are a factor. But the firm has discovered many former direct writer agents among the ranks of independent agents, and all of them

(CONTINUED ON PAGE 26)



Insurance, Indianapolis and Indians

Somewhat cryptographic, to be sure, but the three words above can be "deciphered" to read . . . George L. Clark. For Mr. Clark (pictured) is president of George L. Clark & Co., Inc., General Insurance. He's a well-known and highly esteemed citizen of, and businessman, in Indianapolis. And, by way of an avocation, he has become something of an expert on Hopi Indian lore.

Mr. Clark, then, is well qualified to speak interestingly and authoritatively on all three topics. However, with all due respect to the latter two subjects, his remarks here are confined to insurance . . . and, more specifically, to his company's relationship with Standard Accident.

"We have represented the Standard Accident Insurance Company continuously for 35 years because their integrity has made doing business with them a pleasure. We have found Standard Accident management reasonable and highly cooperative at all times. Their underwriting department has always endeavored to meet our

needs on both lines and coverages. And claims have always been handled in a fair and equitable manner. What more could we ask?"

Could you ask more? . . . ask it. And, chances are, you'll find Standard Accident highly rated by its agents on that score, too. You'll find, in fact, that Standard Accident is known, far and wide, as an "Agency Company." Interested in representing such a company?



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INSURANCE COMPANY**

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CASUALTY • FIRE • MARINE • FIDELITY • SURETY

Several Are Reassigned By Pacific Employers

Pacific Employers, in a series of reassignments on the west coast, has transferred Robert E. St. John, resident vice-president at Pasadena, to the home office as manager of the sales and agency development division. He will be replaced at Pasadena by Fred Wood, who has been executive assistant of sales and agency development.

Robert K. Meyer, resident vice-president at Oakland, has been assigned to the Meritplan home office to handle sales and agency development. Milton Thornton, resident vice-president at Sacramento, moves to a similar position at Oakland, and he is succeeded by Kenneth Ford, formerly special agent at Los Angeles.

William Sproull has been appointed casualty underwriting superintendent at Los Angeles, Arthur Wink becomes underwriting manager at Long Beach, and Tony Denietolis has been appointed to a similar position at Pasadena.

June 24, 1960
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Fund Makes Several Indiana Field Changes

Fireman's Fund has made the following changes in the western department, all at Indianapolis:

John F. Church Jr., fire and marine field man and underwriter for many years in middle and east Tennessee, was named manager. Ralph O. Hopper becomes auto-casualty superintendent and Martin T. Lewis bond-burglary superintendent.

State Agent Warren Mickelsen will continue to supervise the northern territory from the South Bend field office, which will now report to the Indianapolis headquarters. John E. Gulliksen, marine special agent at South Bend, will transfer to Indianapolis and will have full marine responsibility for the entire state.

Mr. Hopper has had several years of underwriting and production experience and has attended the Fund's training school for auto-casualty and bond-burglary specialties. Mr. Lewis has handled for five years both production and underwriting in southwest Ohio and has a broad bond and casualty underwriting background. The bond-burglary unit in Indianapolis will have full underwriting and execution authority and facilities.

Brown, Guillow Promoted

Hartford Fire has named Jack B. Brown resident auditor for the southwestern department at Dallas, and Kenneth E. Guillow resident auditor for the central department at Cincinnati.

Mr. Brown joined the company at Dallas in 1958, having previously been with the Texas insurance department. Mr. Guillow went with the company in 1956.

Maloney To West Coast Glens Falls Fire Post

Glens Falls has promoted William F. Maloney, Hartford manager, to superintendent of fire underwriting in the Pacific Coast department. He will move to San Francisco about July 1.

Francis X. Johnston, Boston manager, has been transferred to Hartford to succeed Mr. Maloney. William B. Johnston, Massachusetts special agent at Boston, has been promoted to manager there.

Berch, Ashley Transferred By Pacific Indemnity

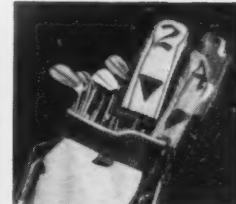
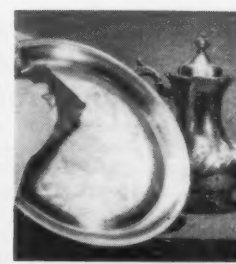
Pacific Indemnity has transferred Bernard D. Berch, assistant manager at Kansas City, to Los Angeles for production development work, and Jay A. Ashley, special agent at Los Angeles, to Kansas City as state agent for Missouri and Kansas.

Mr. Berch entered the business with Royal-Globe as an underwriter and later went with North America in the southeastern Michigan field and with National Fire as casualty supervisor. He joined Pacific Indemnity in 1957.

Mr. Ashley has been with the company for nine years as casualty underwriter and special agent in both Washington state and Los Angeles. Before that he was with General of Seattle and Glens Falls.

Aetna Fire Raises Barboni

Aetna Fire has promoted Charles H. Barboni to supervising engineer in Connecticut, western Massachusetts and Vermont. He joined the company in 1954 and has been safety engineer at Hartford.



NOW—ALL-RISK INSURANCE for any or all these possessions — one simple policy, one low premium

This policy is designed to provide protection for any of the classes of personal property shown here which are not fully covered in standard fire and theft policies.

It covers loss by fire, by theft, by storm, even by mysterious disappearance—at home or away from home, anywhere in the world, in the custody of any member of the family.

It's the OHIO CASUALTY PERSONAL ARTICLES FLOATER POLICY—one of the many Inland Marine lines now offered by our company.

For detailed information, ask
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All 3rd Party Liability Including Excess
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OUTSIDE ILLINOIS — Through Licensed
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And Territories Which Permit Non-
Admitted Carriers To Write Liability
Coverages.

THE CASUALTY COMPANY WITH EXTENSIVE FACILITIES . . .

FLEXIBLE UNDERWRITING . . . REALISTIC RATING . . .

INDEPENDENT!

SINGLE RISK REINSURANCE TO \$2,000,000!!!!

FIDELITY GENERAL



INSURANCE COMPANY

A STOCK COMPANY

RAndolph 6-4060

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Chicago 6, Illinois

Indiana A&S Assn. Gets Preview Of Legislative Commission Proposals

A preview of recommendations to be made by the joint legislative insurance study commission of the Indiana general assembly was given at the annual convention of Indiana A&S Assn. at Indianapolis. The report was made by State Sen. J. Russell Townsend Jr., chairman of the commission, and some of the recommendations would effect:

—A small claims court to act in cases in which casualty companies refuse to pay because the claim is too small to justify the cost of suit. If such a court cannot be established for constitutional reasons, legislation will be sought requiring the insurance department to keep an accurate record on all Indiana companies and establish a demerit system which would automatically place a company under departmental suspension if claim experience discloses unfavorable practices.

—A requirement that no new com-

pany can be organized unless it is operated by "competent and trained insurance personnel."

Clarifying Legislation

—Legislation clarifying the application of the \$50,000 surplus minimum to companies formed prior to the passage of the minimum law in the last session. The law allows the commissioner to step in when a company's surplus drops below \$50,000.

—Provision requiring hospitalization policies to provide for benefits for

(CONTINUED ON PAGE 28)

Estimated 130 Million Covered For Hospital Expenses As Of June 1

Based on early trends in 1960, an estimated 130 million people in the United States, or 73% of the civilian population, had hospital expense coverage as of June 1, according to Health Insurance Council.

The council, at the same time reporting the results of its annual survey of the extent of voluntary health coverage in the United States, said 127,896,000 people had health coverage of some sort at the end of 1959, a gain of 4.8 million during the year. The survey is based on figures obtained from insurance companies, Blue Cross-Blue Shield and other health care plans.

Extending other year-end figures to June 1, the council said that by that date an estimated 118 million people had surgical expense coverage, 84 million had regular medical expense coverage, 24 million had major medical and 44 million were covered against loss of income.

HIC, pointing out that the figures also reveal the breadth of health coverage in the U. S., said that as of June 1, more than 90% of those persons with coverage had both hospital and surgical expense insurance, and 65% had hospital, surgical and regular medical expense coverage. Five years ago the figures were, respectively, 85% and 47%.

In a breakdown of figures at year-end 1959, the council noted that hospital coverage was provided by insurance companies to 75,457,000 people, by Blue Cross-Blue Shield and similar organizations to 56,825,000, and by other health care plans to 4,861,000.

Seven Named To Higher Posts In Combined Group

E. O. Miller and Mrs. Vivian Beldger have been elected vice-presidents of Combined of Chicago. Mr. Miller is comptroller and assistant treasurer of Combined and will retain those duties, and Mrs. Beldger is vice-president of Hearthstone of Boston.

W. M. Marsh, assistant comptroller, was named assistant treasurer also, and Ecsah Brooks was named assistant secretary of Combined and assistant secretary of Hearthstone.

A. F. Kruse, vice-president and claim manager of Combined, was named a vice-president of Hearthstone, and Jack Olson, vice-president of the parent company, was named a vice-president of Hearthstone and First National Casualty of Fond du Lac.

Lee Houghland was named to the newly created position of special programs manager in the disability division.

Foremost Promotes Roe

Norman J. E. Roe, manager of the central division office at Columbus of Foremost of Grand Rapids, has been elected vice-president of agencies. He has been with Foremost for five years, first as a district manager in Ohio, and recently as central division manager.

LONG HAUL TRUCK INSURANCE

✓ Collision, F. I. W.
✓ Liability
✓ Cargo

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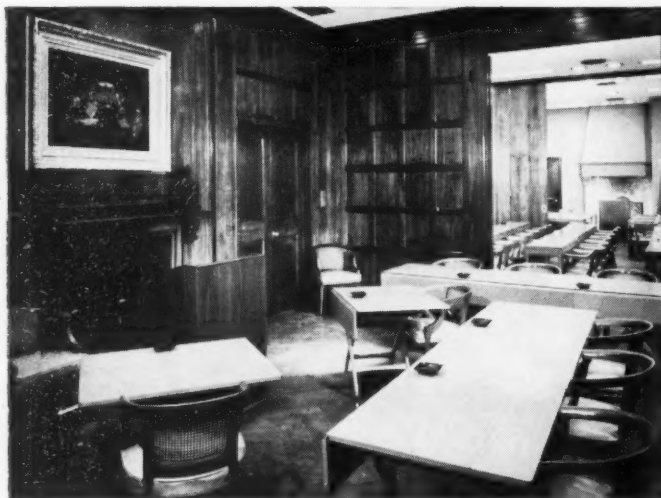
MID-STATES

General Agency, Inc.

Phone 2-1061 Box 420 Fort Dodge, Iowa
LONG HAUL—SUB-STANDARD AUTO—GENERAL LIABILITY

To the Agent
Interested in Improvement...

Apply now for enrollment in
**Continental-National
Insurance Institute**



Classrooms are designed for informal lectures and discussions.

Twice a year CNII holds an intensive, five-week Multiple Line Agency School which is open to selected agents from all parts of the country. This is your opportunity to bring yourself up-to-date on insurance theory and practice... gain a broader understanding of the industry... improve and perfect your merchandising and selling techniques.

- Tuition, text-books, classroom materials and sleeping accommodations are free. Your only expense will be transportation and meals.
- To be eligible you must be recommended by your employer... and accepted by a Board of Review in the Home Office.

For complete details, write to:

The Education and Training Department, Continental-National Group
310 S. Michigan Avenue, Chicago 4, Illinois



Two-man living quarters are provided for out-of-town students.



Spacious lounge for relaxation and recreation.

Continental Casualty Company

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Fla. Agents Told To Gear For Changes; Inter-Regional Plans Cited At Meeting

In his inaugural address at the annual meeting of Florida Assn. of Insurance agents at Miami Beach, Lamar U. Hutchinson, Orlando, the new president, joined Paul A. Jones, Tucson, president of NAIA, in a plea for more cooperation among companies, agents and bureaus. The need is greater than ever, Mr. Hutchinson observed.

He foresaw numerous changes in the business in 1960, if the past six months are used as a barometer. The 1959 homeowners program has been adopted in Florida, a special auto policy has been filed, and a safe driver plan is pending. Agents therefore must redouble their efforts in order to keep pace.

Tells Future Activities

In a panel presentation, "Pathways to the Future," Frederick W. Doremus, assistant manager of Inter-Regional Insurance Conference, whose formal remarks were reported last week, also indicated the partial scope of his organization's future activities. He said that agents could expect try-out of a new public and institutional property plan in several rating jurisdictions. This would apply to educational institutions, churches, hospitals, and eligible public property. Revisions in the commercial property form and rules and in the manufacturers output policy are also in the cards. Also planned are consolidation of fire forms for eastern rating organizations, modernization of the EC endorsement, and revised business interruption forms.

Mr. Doremus emphasized that the

business is moving along in an orderly way in recognition of the rights of the public, the agents, and the stockholders.

James M. Newton, St. Petersburg, vice-president, reported on the cost survey of 600 Florida agencies. This revealed that the average agency has net commission income of \$20,810, ex-

penses of \$18,604, and a net profit of \$2,206.

Thomas Seals, traffic consultant of Insurance Institute for Highway Safety, explained the functions of that organizations, and described the role it will play in a new attack on Florida's traffic problem.

Awards Made

Dave Johnson, Pensacola, chairman of NAIA's Big I fund raising committee, was awarded the association's past president's cup.

Fire and accident prevention plaques

went to Greater Miami Insurance Board for cities with more than 250,000 population; Jacksonville Insurers Assn., 100,000-250,000; and Insurance Board of the Palm Beaches, 50,000-100,000.

In the 25,000-50,000 population category, South Broward Insurers Assn. took the accident prevention award, and Daytona Beach Insurers Assn. was the fire prevention winner.

Insurance Board of the Palm Beaches won the annual James C. McKay cup for general excellence in local board activities.

One of a Series

L. U. Hutchinson

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Anding Wins Golf Trophy

Clovis S. Anding, Atlantic Mutual, won the members' trophy for low gross at the annual golf outing of American Marine Insurance Forum. About 60 members and guests were present at Orchard Hills Country Club, Paramus, N. J., for the tourney and dinner at which Justin N. Tierney, Fireman's Fund, forum president, presided. Anthony V. Raia, American Foreign Insurance Assn. won the president's cup for the second year running.

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Conventions

- June 26-29, Virginia agents, annual, Cavalier Hotel, Virginia Beach.
- July 7-9, International Assn. of Insurance Counsel, annual, The Greenbrier, White Sulphur Springs, W. Va.
- July 17-20, Consumer Credit Insurance Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.
- July 22-28, National Assn. of Claimants' Compensation Attorneys, annual, Jack Tar Hotel, San Francisco.
- August 7-12, Honorable Order of the Blue Goose, Grand Nest, Sheraton Cadillac Hotel, Detroit.
- August 14-17, West Virginia agents, annual, The Greenbrier, White Sulphur Springs, W. Va.
- August 15-17, Texas mutual agents, annual, Hotel Galvez, Galveston.
- August 22-24, International Federation of Commercial Travelers Insurance Organizations, annual, Queen Elizabeth Hotel, Montreal, Canada.
- August 24-27, Federation of Insurance Counsel, annual, Bellevue Stratford Hotel, Philadelphia.
- August 25-27, Montana agents, annual, East Glacier Lodge, Glacier Park.
- August 28-30, Wyoming agents, annual, Wort Hotel, Jackson.
- Sept. 6-8, Maine agents, annual, Samoset Hotel, Rockland.
- Sept. 7-10, Alaska agents, annual, Mt. McKinley National Park.
- Sept. 11-14, National Assn. of Mutual Insurance Companies, annual, Olympic Hotel, Seattle, Wash.
- Sept. 12, Vermont agents, annual, Basin Harbor Club, Vergennes.
- Sept. 12-13, Utah agents, annual, Hotel Utah, Salt Lake City.
- Sept. 12-16, International Union of Marine Insurance, conference, Shoreham Hotel, Washington D. C.
- Sept. 13-16, Mutual Loss Managers' Conference, Roosevelt Hotel, New Orleans.
- Sept. 14-16, Michigan agents, annual, Pantlind Hotel, Grand Rapids.
- Sept. 15-16, Minnesota agents, annual, Pick-Nicoll Hotel, Minneapolis.
- Sept. 18-20, New Hampshire agents, annual, Mount Washington Hotel, Bretton Woods.
- Sept. 18-21, Idaho agents, annual, Sun Valley Lodge, Sun Valley.
- Sept. 19-20, Minnesota mutual agents, annual, Pick-Nicoll Hotel, Minneapolis.
- Sept. 19-21, Washington agents, annual, Olympic Hotel, Seattle.
- Sept. 21-23, Canadian Federation of Insurance Agents & Brokers Assns., annual, Mont Tremblant Lodge, Mont Tremblant, Quebec, Canada.
- Sept. 21-23, Oregon agents, annual, Sheraton-Portland Hotel, Portland.
- Sept. 26, New Jersey agents, annual, Hotel Traymore, Atlantic City.
- Sept. 26-28, National Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City, N. J.
- Oct. 2-5, National Assn. of Casualty & Surety Agents and National Assn. of Casualty & Surety Executives, combined annual, The Greenbrier, White Sulphur Springs, W. Va.
- Oct. 8-11, Kansas agents, annual, Broadview Hotel, Wichita.
- Oct. 13-14, Conference of Mutual Casualty Companies, sales and agency meeting, Conrad Hilton Hotel, Chicago.
- Oct. 14-15, North Dakota Agents, annual, Patterson Hotel, Bismarck.
- Oct. 16-18, Maryland agents, annual, Hotel Emerson, Baltimore.
- Oct. 16-18, Ohio agents, annual, The Neil House, Columbus.
- Oct. 17, Rhode Island agents, annual, Sheraton-Biltmore Hotel, Providence.
- Oct. 17-18, Arizona agents, annual, Pioneer Hotel, Tucson.
- Oct. 17-19, Wisconsin agents, annual, Schroeder Hotel, Milwaukee.
- Oct. 18-19, Massachusetts agents, annual, Sheraton Plaza Hotel, Boston.
- Oct. 21-23, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.
- Oct. 22-27, National Assn. of Mutual Insurance Agents, annual, Statler Hotel, Washington, D. C.
- Oct. 23-25, Missouri agents, annual, Governor Hotel, Jefferson City.
- Oct. 24-26, California agents, annual, Sheraton-Palace Hotel, San Francisco.
- Oct. 26-28, Nebraska agents, annual, The Town House, Omaha.
- Oct. 27, Connecticut agents, annual, Statler-Hilton Hotel, Hartford.
- Oct. 27-28, Kansas State Assn. of Mutual Insurance Companies, Holiday Inn, Topeka.
- Oct. 27-29, New Mexico agents, annual, Western Skies Hotel, Albuquerque.
- Oct. 30-Nov. 1, Illinois agents, annual, Pere Marquette Hotel, Peoria.
- Oct. 30-Nov. 1, Tennessee agents, annual, Andrew Jackson Hotel, Nashville.
- Oct. 31-Nov. 2, Nevada agents, annual, Las Vegas.
- Nov. 1-3, National Assn. of Independent Insurers, annual, Chase-Park Plaza, St. Louis.
- Nov. 13-15, Kentucky agents, annual, Kentucky Hotel, Louisville.



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CPL Cover Of Assault And Battery Defense Depends On Facts In Case

The obligation of the insurer to defend insured in an assault and battery action depends on the facts in the case and not upon the allegations of assault and battery by those filing suit against insured. This was the ruling of Texas civil appeals court in a case that involved comprehensive personal liability coverage, reported in 10 CCH (Fire & Casualty) 375.

R. J. Bethancourt, insured, went to the Mohr Chevrolet Co. in Dallas to get his automobile which he had left for repairs. In the discussion that followed between him and Young, an employee of the Mohr Co., an argument and scuffle ensued between the two. Young and the Mohr Co. filed suit against Mr. Bethancourt, alleging in their petition that certain acts of Mr. Bethancourt constituted assault and battery.

Insurer Declines Defense

Mr. Bethancourt asked Trinity Universal, the insurer, to defend him. But the insurer, after taking a lengthy statement from Bethancourt, denied liability and declined the defense.

Bethancourt retained his own attorney, defended the action against him, and filed a cross action, which resulted in his recovery of \$1,000 from Young and the Mohr Co. He then filed suit against Trinity Universal for \$333.33 attorney's fees incurred during his defense of the Young-Mohr action. It was stipulated that this fee was reasonable.

The trial court entered judgment against Trinity Universal, which appealed. The insurer charged the lower court with several errors, among which was in finding as a conclusion of law that the exclusion in the CPL relating to "injury, sickness, disease, death or destruction caused intentionally by or at the discretion of the insured" did not apply to the suit and claim in question.

Sees Clear Conflict

The appeals court observed that there was a clear conflict between the allegations set out in the suit by Young-Mohr and the facts as they actually existed and could have been determined by a reasonable investigation.

It is, the court stated, the insurer's

contention here that its duty to defend insured in an action brought against him by a third person is determined solely by the allegations in the petition—without regard to what the facts may be, or what an investigation may show them to be. For this, Trinity Universal cites Maryland Casualty vs Moritz, McDonald vs United

Pacific, and other cases. The court concluded these cases were not controlling.

The trial court, the appeals court said, found that if the insurer had made a reasonable investigation of the facts, it would have determined that Bethancourt did not commit any of the acts alleged in the Young-Mohr petition and therefore determined that he did not cause any "injury, sickness, disease, death or destruction" to either George M. Young or Mohr Chevrolet Co., either intentionally or otherwise.

Assuming that the Young-Mohr as-

sault and battery petition alleged facts which would relieve the insurer of the duty to defend the damage suit against Bethancourt, the court said it thought the insurer was under a duty to ascertain the facts of the alleged cause of action before declining to defend the suit. The court concluded that Trinity Universal was obliged by the terms of the policy to defend. It cited Massachusetts Bonding vs Roessler as a controlling case.

James J. Sheerin of Dallas represented the insurer, Coon & Hoffman of Dallas appeared for Bethancourt.



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Advises General Lines Agents On Life

The independent general lines agent or broker who plans to expand into the life field should be careful to do it in a way that will not jeopardize his community position as an independent and professional adviser to his clients, according to John Z. Schneider, Baltimore manager of Connecticut General Life.

In an address at the midyear meeting of Maryland Assn. of Insurance Agents at Ocean City, he said that traditional ways of bringing life busi-

ness into an agency mean either sharing commissions with a licensed life agent, use of a part-time brokerage man from a life agency, or the creation of a separate life department.

Can Alienate Customers

Many general lines producers, Mr. Schneider said, have found that these practices can alienate customers who are used to the "soft-selling ways" of the agent. But life insurance is never bought—it is sold, he said. The prob-

lem is how to integrate life sales with a brokerage or independent agency.

The methods which seem to have become traditional are unstable, Mr. Schneider said, partly for economic reasons, but mainly because they are incompatible with the traditional service philosophy on which the independent general insurance man has built his business.

"Describing his early experience in developing life business for general lines offices, Mr. Schneider said the service used to begin and end with a part-time broker who would help an

independent agent close a sale.

But in looking at the substantial and good quality business it was receiving from independent agents, his company decided it was not doing enough to help these producers.

Sending field men out to ask brokers why they were not more active in the life business, Mr. Schneider's company came up with three answers: (1) General lines producers didn't have time for life insurance, (2) They didn't have the knowledge necessary; and (3) They felt that injecting high-pressure salesmanship to sell life covers would cause them to lose the position they had built up over the past.

Caused Greatest Concern

The last point caused the greatest concern. Since Connecticut General wanted larger volume from agents and brokers, it concluded that it would have to come up with an entirely new operating philosophy that was the same as that of the general lines producers.

The company slowly and carefully staffed a network of agencies, equipped to serve the clients of the producer through a merchandising method completely compatible with his traditional operating principles.

Connecticut General representatives did not ask to be taken to prospects for life coverage to close the sale. Instead it asked agents to pick up the life policies of general lines clients on normal calls—whether they are insurable or uninsurable, and whether or not they want to buy. These are then turned over to Connecticut General for analysis.

If this service is offered to the general lines client, Mr. Schneider said, the result will be an increase in prestige for the independent producer, whether the life policy recommended is accepted, turned down, or deferred.

Three Objections Met

Under this plan the three objections of general lines producers to the sale of life are met, said Mr. Schneider. Time is no problem, since the first steps are taken by the independent producers in the normal course of business. The technical knowledge is supplied by an experienced life agent.

This is like having a complete life department in the general lines office, but without the expense, since the life company assumes that.

Another approach to the problem is to set up a separate life department within the general lines agency. Mr. Schneider warned that here the producer must be careful to estimate his costs correctly, to set up goals for net profit from the operation, and to review the actual gain made, by including such imponderables as the reaction of established clients.

Grand Rapids Casualty Assn. Elects Howard

Grand Rapids Casualty & Surety Assn. has elected Mack Howard, Great American, president. Other new officers are Paul Seibold, Continental Casualty, vice-president; David E. Fowler, Continental Casualty, secretary; and William Dailey, American States, treasurer.

McFadden Moved South

Aetna Fire has transferred William R. McFadden, claims manager, from Washington, D. C., to Charlotte, N. C. He will have supervision of all casualty claims in North and South Carolina, Georgia and Alabama. He has been with the company in the District of Columbia area since 1939.

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THE FIDELITY AND CASUALTY COMPANY OF NEW YORK.....	Est. 1875
NATIONAL-BEN FRANKLIN INSURANCE COMPANY.....	Est. 1866
COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.....	Est. 1909
MILWAUKEE INSURANCE COMPANY.....	Est. 1852
ROYAL GENERAL INSURANCE COMPANY OF CANADA.....	Est. 1906
THE YORKSHIRE INSURANCE COMPANY OF NEW YORK.....	Est. 1926
SEABOARD FIRE & MARINE INSURANCE COMPANY.....	Est. 1929

Miss. Agents Review Dwelling Crisis

(CONTINUED FROM PAGE 4)

their insurance on a bid basis, Mr. DeLashmet reported. School superintendents made a survey of losses, insurance and premiums. The insurance data was obtained from General Adjustment Bureau, though GAB does not adjust all the school losses, and from individual schools, though all of them did not furnish information.

It is possible to write school furniture and fixtures on a multiple location basis, why not the buildings, Mr. DeLashmet asked.

He reported that the National Bureau and National Automobile Underwriters Assn. filing with a reduced expense factor led to company commission cuts. Yet, he said, several years ago several companies increased fire commissions to buy business.

Master-Servant Relation?

This arbitrary juggling of commission has raised the question of whether the company-agent relation is one of master and servant or a partnership, he declared. If it is a partnership, all conditions must be brought into clear focus and agreed to by both parties. This will require a completely revised agency contract that differentiates between agencies. Such a contract would provide a new dignity to the relationship "and eliminate arrogance and complacency in many quarters."

The association sponsored a freedom of contract bill similar to that which now is law in New York. It passed the senate but died in the house. The purpose was to protect agency income "as the companies are able to bind together to promulgate rates and protect their income," he said.

If the New York measure is a suc-

cess, Mr. DeLashmet thinks the association ought to reintroduce the bill in Mississippi.

An improved agency licensing bill failed to pass, he said—as usual because of the opposition of auto dealers, jewelers, the farm bureau, "our companies," and others.

Mr. Brewer in his report reviewed the study NAIA currently is making of member attitudes toward continuous policies and direct billing. NAIA at Atlantic City will determine whether to continue its official policy of opposition.

There was indication here that the majority of Mississippi agents are opposed to direct billing but not necessarily to continuous policies.

Lamarr McDonald of Meridian, education chairman, described the annual school, sponsored by the association, which will be held July 21-22 in Jackson.

At the annual dinner, I. A. Rosenbaum Jr. of Meridian, past president, presented the James Henry Johnson memorial award to Mr. DeLashmet for his outstanding contribution to the business during the past year. The award was established in 1952 by O. Shaw Johnson of Clarksdale, past president of NAIA, in honor of his father, who was five times president of the Mississippi association. O. Shaw Johnson was unable to attend the meeting, one of the few conventions he has missed in many years, because of the illness of Mrs. Johnson. O. Shaw Johnson Jr. and his wife were on hand.

(Mr. and Mrs. Rosenbaum flew to the convention with Mr. Rosenbaum piloting the family's Piper Comanche. He was an American Airlines pilot

before World War II.)

Mr. Brewer presented the Theo Hardy award to the Jackson association for its outstanding work during the year. Zach Taylor Jr. immediate past president, accepted the trophy.

R. D. Portwood of the B. Havard agency, Gulfport, a member of the executive committee, presented Mr. and Mrs. DeLashmet a suitable gift and Mr. DeLashmet a plaque, "an award of special merit." The latter is an innovation this year.

E. M. Allen, past president of NAIA, and Mrs. Allen, who are living at Pass Christian, Miss., took a bow.

Giles Peresich of the Eugene Peresich & Sons general agency, Biloxi, was aided by Mrs. Peresich in giving out the golf prizes.

Parker Rhett of Biloxi greeted conventioners for Mississippi Coast Underwriters Assn., of which he is president. This group won honorable mention in the Hardy award competition. Mrs. Rhett was chairman of the ladies' entertainment committee.

Among visitors were J. E. Cooper, Huntsville, president, and Hayes Kennedy, executive secretary, of the Alabama association.

Companies and general agents provided many of the attractions of the convention.

Boston group sponsored the junior program and furnished the programs, with W. G. Sours Jr. of Jackson, manager, on hand as host.

Cherokee served breakfast, with John F. Hazen Jr., marine manager, Nashville, and J. D. Draffan, state agent, Jackson, welcoming agents.

R. S. Greer of Jackson, general agent, and Mrs. Greer; and Lester S. Harvey, president of New Hampshire group, and Mrs. Harvey, entertained guests at the Greer headquarters.

Maurice Hartson of New Orleans, former executive committeeman of NAIA, and head of the Hartson general agency, and Mrs. Hartson dispensed hospitality. In addition, Mr. Hartson furnished the speakers with a handsome plaque of fire marks.

The contingent from the Steckler & Co. general agency, New Orleans, was headed by Jules E. Simoneau, past most loyal grand gander of Blue Goose. The firm maintained headquarters and provided a registry of convention attenders.

The F. W. Williams state agency of Jackson furnished the ladies' favors and held open house.

Fidelity & Deposit delivered the morning paper—and had a hospitality suite.

Crum & Forster, Hartson Inc., and Southern Guaranty furnished the attendance awards.

The W. A. Sullivan general agency of Jackson gave the bingo party prizes and those for the bridge and canasta session.

The Holland & Gates and H. D. Maddox general agencies of Jackson gave the ladies' luncheon entertainment.

America Fore Loyalty maintained a hospitality suite. So did Aetna Casualty, Chubb & Son, Employers Liability-Northern of London, Hartford Fire, Home, Leon Irwin & Co. of New Orleans, George S. Kausler Ltd. of New Orleans, Maryland Casualty, Sam B. Reid general agency of Jackson, Royal-Globe, St. Paul F.&M., Southern Guaranty, and Zurich.

Lansing Agents Elect Sheets

Lansing (Mich.) Assn. of Insurance Agents has elected L. Dale Sheets, secretary-treasurer, and Walter L. Plaskett and Robert K. Hosley, directors.

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Ellis Advises Ga. Agents Not To Fall For Rosy Prophecies

Anderson President To Succeed Morrison; Lawson Moves Up For Top Post

More than 400 were on hand for the annual meeting of Georgia Assn. of Independent Agents at Savannah.

Porter Ellis, Dallas, vice-president of NAIA, advised the agents not to allow optimistic forecasts for the "surging sixties" to lull them into a false sense of security. Although he foresees bright prospects in the next decade, he expressed concern over the fact that many agents believe that their "rosy future is guaranteed." Only those who are prepared for the future and are willing to achieve the predicted prosperity can look ahead with confidence, Mr. Ellis declared.

James W. Anderson, Decatur, was elected president to succeed Paul F. Morrison, Columbus, who was named state national director. Carl W. Lawson, Gainesville, moved into line for the presidency as he was named 1st



James W. Anderson

vice-president. Gus Naumann, Atlanta, became 2nd vice-president.

Past successes and accomplishments of independent agents, Mr. Ellis said, will mean little in the face of aggressive competitors with their hard-hitting multi-million dollar advertising programs. In advertising alone, he said, the four top direct writers plan to spend \$10 million in the coming year.

To remain idle in the face of alert competition, capable of taking advantage of every opening presented, is foolhardy, he continued. Those who have done that are now out of business and many others appear to be "hanging on the ropes just waiting for the knockout punch, powerless to defend themselves."

Notes Prudent Agents

The more prudent agents, Mr. Ellis said, are currently reappraising the competitive situation confronting them in this era of prosperity. One result has been the merging of agencies to allow for more economical operations and to strengthen their position for the future. He predicted that this trend would continue.

Mr. Ellis expressed regret at the loss of these agents who have succumbed to the pressure of competition, but said they were probably not living up to the highest standards of the true, independent agent. The very concept of independence, he said, is the most rewarding aspect of the agency system.

Harry M. Carter, Savannah, took the past president's award for outstanding contributions to the business. George M. Erwin, Atlanta, received the Edgar Dunlap award for civic service. He is chairman of the association's legislative committee, a member of its

executive committee, and a past president of Atlanta area association. His statewide efforts in behalf of mental health programs, among many other civic endeavors, won him the Dunlap award.

N. Y. Young Men's Board Elects Sanford Chairman

The insurance section of Young Men's Board of Trade of New York installed Robert L. Sanford, of Smyth, Sanford & Gerard, brokers, as chairman at a luncheon meeting. William Princell, Commercial Union-North British group, and Malcolm Teare, general agent Continental Assurance, were named vice-presidents, and Patrick Daly, Hartford Fire group, secretary.

Conn. CPCUs Elect

Donald H. Garlock, assistant secretary of Travelers, was elected president of Connecticut PCU chapter at the annual meeting in Farmington. A. J. Mueller, Phoenix of Hartford, and Chandler B. Johnson Jr., Aetna Fire, were elected vice-presidents; Paul U. Sunderland Jr., Hartford Accident, secretary, and Philip A. Wilde Jr., Allen, Russell & Allen agency, Hartford, treasurer.

Tri-State Appoints Mehl

Tri-State group has appointed Paul E. Mehl a bond underwriter. He has been with Aetna Fire and New Hampshire Fire and will devote his time primarily to contract bond business.

Otis A. Murphey Co., adjusters, has appointed Stephen B. Harrell as manager of the Leesburg, Fla., office.

Lloyd's Chairman Upholds Practices, Cites Market Value

CONTINUED FROM PAGE 11

more, a majority of states—and the list is growing every year—impose a premium tax on insured who place business directly with non-admitted companies. This tax rate is usually the same as the surplus line tax rate.

Lloyd's ability to offer competitive coverage is therefore not based on any tax advantage, Mr. Grover maintained.

He noted that under his organization's American trust fund, all U.S. dollar premiums are subject to a trust in favor of American policyholders. The fund is now \$350 million of which 98% is comprised of cash and obligations of the U. S. government or its agencies.

Under questioning by Donald P. McHugh, subcommittee counsel, it was revealed that Lloyd's total premiums on American business are about \$400 million—50% on surplus lines. Mr. Grover said that Lloyd's has considered applying for a license in states other than Illinois and Kentucky, but did not believe it could comply with the forms and other requirements specified by state law or regulation.

Cross Questioning

Sen. O'Mahoney, subcommittee chairman, remarked that a Lloyd's underwriter seeks a profit for himself and for his syndicate. He brought out that the syndicates vary in membership from 400 to as low as 10 or 12.

Mr. McHugh suggested that under the British system, "judging from Lloyd's experience," rates are fixed by individual underwriters. Mr. Gro-

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ver explained that each member of a syndicate, however, must take his share of the risk assumed by the unit of which he is a member.

With regard to the question of whether other foreign insurers should be required to set up trust funds, Mr. Grover noted that the Lloyd's fund was established due to war conditions.

Commenting on rates, he said that there were no requirements in Great Britain with regard to filing. "We feel it is far more important to establish the solvency of insurers," he explained. When reference was made to British Commercial's U. S. operations and its difficulties in the area of malpractice coverage and claims, Mr. Grover emphasized that Lloyd's has no connection with any company. Asked about possible misunderstanding on the part of American policyholders with regard to coverage they might believe to be in Lloyd's, Mr. Grover referred to policy language such as "Lloyd's and/or" a specified insurer.

Further Clarification

Mr. Grover said that steps have been taken to make sure that no U. S. policyholder can mistakenly believe that he has a Lloyd's cover when this is not the case. Instructions have gone to every underwriter to clarify this situation.

Mr. Grover's testimony revealed that Lloyd's receives more premiums from California than any other state.

He noted that "with certain exceptions" Lloyd's underwriters in one kind of syndicate are not permitted to write other types of risks. It is difficult for members to compete in the fire business with large companies, he observed, although they do get some business.

Regarding Lloyd's deductibles and the aversion to them of some companies, Mr. Grover remarked that the latter may not be able to utilize this feature. He observed that many companies, however, have eventually adopted practices pioneered by Lloyd's.

Reinsurance Facilities

The ability to reinsure is an essential and integral aspect of the operation of American insurers, Mr. Grover pointed out, and the facilities of Lloyd's are available to all types of companies without discrimination. Reinsured at Lloyd's today are a wide variety of companies, large and small, stock and mutual and reciprocal.

Because of its capacity and the international character of its business, Lloyd's has been able to meet the need of companies for protection against catastrophes. With respect to smaller and newly organized companies, the availability of a responsible reinsurance market is perhaps of even greater importance, since they do not have in some instances the capital structure which will permit them to develop a representative book of business. Because of the traditional freedom of the Lloyd's market and its availability to all without discrimination, there has been a tendency for Lloyd's to become the principal insurance "home" of these companies. They thus develop the experience and background which enable them to retain larger amounts of risk for their own account and in time to look to their Lloyd's reinsurers principally nor protection against catastrophe.

Generally speaking, the various states recognize the international acceptable substitute for the old homeowners C policy, use and explanation character of reinsurance and limitations are not placed upon the right

of reinsured companies and their brokers freely to choose the market which will best meet their requirement, whether that market be admitted or non-admitted, Mr. Grover said. However, some complications do arise from the fact that a number of states do not permit credit to be taken for Lloyd's reinsurance, and most companies reinsured at Lloyd's are licensed in one or more of these states. A company must list its Lloyd's reinsurance as a liability in its financial statement although this reinsurance is fully collectible. The reinsured company therefore suffers a penalty because of Lloyd's reinsurance.

He cited an example to show how a company reinsured with Lloyd's is forced to tie up \$100,000 of its free funds rather than \$50,000 as would be the case if reinsurance had been carried with an admitted reinsurer, thereby limiting the capacity of the reinsured company to write additional business.

Mr. Grover stressed that in the past Lloyd's underwriters have welcomed investigations by state regulatory authorities and by leading industrial concerns. Subsequent reports have uniformly praised the Lloyd's

market for combining flexibility with unquestioned financial security, Mr. Grover declared. He submitted copies of such reports from representatives of the insurance departments of Kentucky, California and New York, and from Charles H. Groves, director of insurance Colorado Fuel & Iron Corp.

Also on hand at the hearing were H. G. Reeves, clerk to the Lloyd's committee, and Luke D. Lynch and T. J. Healy, attorneys with Mendes & Mount, general counsel in the U. S. for Lloyd's. Sen. O'Mahoney invited the group to lunch after the hearing, with Mr. McHugh acting as host.

Illinois Pond Elects Stentz MLG At Annual

Illinois Blue Goose pond at its annual meeting in Peoria elected Dale G. Stentz, Western Adjustment, Chicago, most loyal gander; Robert E. Luecal, Crum & Forster, Decatur, supervisor; Edward R. Rossi, America Fore Loyalty group, Chicago, custodian; Marshall Schlick, Phoenix of Hartford, Peoria, guardian; Gerald J. Quigg, Springfield group, Peoria, keeper, and Leo G. Hines, Ohio Farmers, Peoria, wielder.

Mich. Blue Shield Gets 11.5% Rate Boost, Had Sought 19.5%

LANSING—A rate increase of 11.5% for Michigan Medical Service (Blue Shield) has been approved by Commissioner Blackford. Blue Shield had sought 19.5%. Announcement of the commissioner's decision brought immediate expressions of dissatisfaction from Blue Shield officials who said income would be insufficient and a deficit of \$3 million could be expected by the end of 1960.

Concedes A Point

The commissioner, who sanctioned the "compromise" increase for a one year period only, conceded "there is no use in attempting to gloss over the precarious financial condition of Blue Shield. Our choice was between approving an adjustment in rates or permitting the program to go 'down the drain'. We could not let this happen."

Mr. Blackford said "Examination of the books and records . . . has established the fact that the financial position . . . is serious and that there

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exists a need for adjustment of rates to meet this emergency situation." Conceding the higher cost of health care, the commissioner noted "at the same time we must consider the ability of the individual subscriber, particularly the senior citizen, to purchase the services made available through your plan . . . We do not believe that the subscriber should bear the full burden of resolving the immediate financial crisis. For this reason, I cannot approve your board's request for increases based on a two-year projection. Instead we have applied the annual claims increment factor and other assumptions utilized in your computations to determine that a one-year projection would amount to 11.5%. This does not include the 3.5% allowance to rebuild surplus . . . which we feel compelled to disallow."

Approval Is Qualified

The approval for a rate increase is qualified by the requirement that Blue Shield institute such action as may be necessary to develop a program that will minimize rising costs to subscribers. On or before July 1, 1961, it will be the responsibility of Michigan Medical Service to present to the department a program "that will develop a more stable rate and benefit structure."

Labor union spokesmen appearing at hearings on the rate increase request uniformly opposed it, while chief proponents of the higher rates were spokesmen for medical organizations. Mr. Blackford, however, concluded that the hearings had shown "the public is more than willing to pay for adequate medical care but they do object to subsidizing abuses or misuse" and that Blue Shield,

Suits Seek \$3 Million In Collapse Of Stand

INDIANAPOLIS—Nineteen damage suits, seeking nearly \$3 million, have been filed against the Indianapolis Motor Speedway in connection with the collapse of a 40-foot-high home-made viewing scaffold at the Memorial Day 500-Mile Race, in which two persons were killed and 79 injured. The suits, totaling \$2,933,000, were filed by Jerrald O. Finney, Chesterfield, Ind., and Robert A. Heath, Houston, Tex., attorneys, on behalf of 14 plaintiffs.

They contend the scaffold fell because 35 to 40 persons on the ground in the area climbed on the front and side of it to see the start of the race. They also charge the Speedway management with failure to control the crowd of 200,000 and provide seats in the infield so these customers could view the race. They charged the Speedway with encouraging the erection of

hence, must "provide the public with assurance that effective controls exist to eliminate any abuse or misuse."

The actual increases, it was predicted, will range from 30 cents a month for single persons in group plans to \$1.02 monthly for families enrolled outside group programs.

L. G. Goodrich, Blue Shield executive vice-president, called the commissioner's order "inadequate and unrealistic." He emphasized that the commissioner had admitted the "serious" situation and "properly characterizes our plight as an emergency, yet we feel he has given us only token relief." Hinting that his organization had relied on acceptance of its full request, Mr. Goodrich said "we don't even know at this point how to deal with this turn in events."

such private structures, rather than spending money to build permanent infield bleachers. The defendant also is accused of failing to make safety inspections and ignoring repeated warnings of the Marion County coroner's office about the makeshift stands.

Marjorie Linder, widow of Fred Linder, co-builder of the scaffold, who has five small children, is one of three seeking \$500,000. In her suit, she contends the scaffold was strong enough to hold 2,500 pounds per square foot and that it was guyed on all four sides and to the 1½-ton truck which served as part of the base. Wilbur Shortridge, Jr., sued for \$500,000 to cover his own injuries, as well as \$375,000 for injuries suffered by his wife, Mary, and their daughter. Shortridge and his brother-in-law, Linder, erected the scaffold. Another \$500,000 suit was filed by Billy Galbreath, 17, who suffered a broken back. The others suing sought amounts from \$5,000 to \$300,000 per person.

Alamo Pond Elects

Alamo Pond of Blue Goose, at its annual election and initiation in San Antonio, advanced Claude M. Skinner, Roberts & Skinner, adjusters, to most loyal gander; D. D. King, Hartford Fire, to supervisor; Vincent Losada, Quirk & Co., to custodian; Frank J. Spencer, Aetna Casualty, to guardian; Vernon D. Neiman, U.S.F.&G., to keeper, and Thomas Pair, Trinity Universal, to wielder.

Griswold & Co., New York brokers and average adjusters, has formed a Florida corporation of the same name. It takes over the activities of Taylor & Pound, Tampa agency. The new firm was incorrectly described as Griswold & Pound in the June 10 issue.

Thacher Eyes N. Y. Auto Tie-In Sales

Superintendent Thacher of New York is investigating reports that car owners are being forced to buy additional lines of coverage in order to retain auto protection. He noted that a survey indicated tie-in practices.

Mr. Thacher said his department is concerned "about whether the free discretion of the companies to write or not to write insurance, to cancel or not to cancel, to renew or not to renew, is being unfairly exercised."

The charge has been made, Mr. Thacher stated, that many companies have dropped producers unless they get "a representative line of business." Noting that agents in turn may press their customers for additional business, he declared that the entire matter, as it is related to the law, is being studied.

CPCU Chapter Officers Hold Conference At University Of Kansas

Twenty-five CPCU officers and directors representing the Oklahoma, Iowa, Kansas City, Philadelphia, Kansas, Deep South, St. Louis and Shreveport chapters met at the University of Kansas to discuss chapter meeting techniques, the continuing education program and the expanding program of chapter professional development.

Seminar sessions were moderated by Harry F. Brooks, CPCU managing director; Robert O. Young, North America, and CPCU president; Lindsay Fisher, Employers Re, and Dean E. Matthews, Ashland, Kan.

Finds Plastic Baskets Are Serious Fire Hazard

Plastic waste paper baskets are a serious fire hazard, the University of Minnesota health service has warned following a series of tests. The health service placed a quantity of light wrapping paper and six paper cups in a plastic basket and ignited the paper.

In less than 20 seconds the basket started to collapse and within 60 seconds the plastic itself was burning and melting. As the basket burned, a pool of liquid formed that resembled melted wax. After 30 minutes the fire still burned with sufficient intensity to ignite any combustible material placed within two feet of the basket. On the basis of the tests, the university health service made these conclusions and recommendations:

Plastic waste baskets are not satisfactory for the disposal of any material that burns with intense heat or for any flammable liquid; dry chemical should be used to extinguish a fire where plastic is in liquid state; water should be used only as a last resort.

New Maryland Insurers

Telephone Employees Ins. Co. has been formed in Baltimore to write all classes of automobile at preferred rates. A total of \$1,250,000 capital and surplus has been subscribed.

Michael J. Egan, Baltimore agent, formerly with American Telephone & Telegraph Co., is president; Edgar R. Koogle, retired comptroller of Chesapeake & Potomac Telephone Co. of Maryland, treasurer; and William H. Manger, Baltimore attorney, formerly with Securities & Exchange Commission, is secretary. The chairman is Harvey E. Emmart, a commercial banker, and the vice-chairman is Elissa Riggs Jones, investment banker.



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Aetna Casualty Drive Honors Retiring Knapp

Representatives of Aetna Casualty wrote new business with premiums of \$9,339,000 during the recent spring "Treasure Voyage" campaign, most successful in the company's history. The month-long campaign, in which nearly 5,000 agents participated, produced 61,898 applications for the selected casualty, fire, marine and A&S lines being promoted.

A feature of the promotion was the dedication of the last week to Edward

C. Knapp, vice-president, who retires July 1. Production during the week honoring Mr. Knapp was the highest yet recorded by the company, with more than 2,000 agents qualifying for special recognition.

Schellie In New Post

James L. Schellie has been named head of the accounting and statistical department at Chicago for A. E. Strudwick, reinsurance brokers with headquarters at Minneapolis. Most recently he was manager and supervisor of accounting for the reinsur-

ance division of Stuyvesant and before that was supervisor accounting section, reinsurance division, Continental Casualty for about three years and five years with Chase Conover & Co., insurance accountants and auditors, all at Chicago.

Slates Commercial Lines School

A commercial lines school for experienced agents will be held Sept. 19-Oct. 14 by General of Seattle. A four-week session replaced the former six-week agents' school which covered all lines.

Officers, Directors Of Cumis General Named

Directors and officers of Cumis General, the new property and casualty company of Cuna Mutual, were elected at the organization meeting in Chicago this month. Charles F. Eikel Jr., Cuna Mutual's managing director, was named president of Cumis; Thomas B. Benson, executive vice-president; Ralph T. Peterson, comptroller; Robert Wermuth, assistant comptroller, and Henry Timme, assistant secretary. All are also members of the executive staff of Cuna Mutual.

William A. Reid, veteran Cuna Mutual board member, was elected chairman of the new company. Other Cumis board officers—all Cuna Mutual directors—are Joseph S. DeRamus, Chicago, vice-chairman; W. W. Pratt, Harrisburg, Pa., secretary, and Edwin Eich, Milwaukee, treasurer. Six other Cuna Mutual board members were also elected to the Cumis board.

Headquarters for the new company, which for the balance of the year will operate in Wisconsin only, are in the Cuna Mutual Building at Madison. Capital and surplus in equal amounts total \$1 million.

Industrial Indemnity Advances Five In Cal.

Industrial Indemnity has made five promotions in the property departments of southern and northern California offices.

Howard Worth, production manager for three years at Los Angeles, has been appointed property manager for the southern region. He joined the company as fire manager in 1953 and has had 20 years of insurance experience.

New property manager for the northern region is Drew Lawrence, formerly fire manager at Los Angeles. In the business 30 years, Mr. Lawrence joined Industrial Indemnity in 1953.

Succeeding Mr. Lawrence at Los Angeles is David Snow, fire manager at Fresno for four years. Mr. Snow, in turn, will be succeeded at Fresno by Robert Taylor, who has been supervising fire underwriter at Los Angeles.

Edward Jensen has been appointed property manager at Long Beach. He has been fire underwriter there.

N. Y. CPCUs Name Herman

Henry A. Herman Jr., Royal-Globe, was elected president of the New York chapter of CPCU at its annual meeting.

Other officers are Melvin Warshaw, Wolkenberg & Warshaw, and Glenn D. Schwenker, Insurance Society of New York, vice-presidents; Robert W. Daum Jr., North British, treasurer, and John W. Specht, John C. Specht Co., Brooklyn, secretary.

Jewett, Barton, Leavy & Kern agency of Portland Ore., is celebrating its 90th anniversary. The firm was founded in 1870 by Henry W. Hewett, who moved to Portland from England. The partners are Harry Hollister, A. P. Knapp, G. E. Bass, W. B. Johnson, W. W. Jewett, H. H. Bartlett and R. D. Floberg. In 1886, Henry Hewett, the founder was appointed the first agent in Oregon for Lloyd's of London. The commission has remained with members of J. B. L. & K. since and is now held by William W. Jewett.

Stanton (Tex.) Assn. of Independent Insurance Agents has been formed with Paige Eiland president; Mrs. Lenorah Epley, vice-president, and James Stallings, secretary.



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Deactivated Members Of Management Can Impede Progress

(CONTINUED FROM PAGE 2)

ologically to a status which is somewhat ambiguous. Of course there are numerous exceptions to the situation described. Quite often, a man receives a title and keeps on doing what he has been doing, but does it better. But the phenomenon of semi de-activation of able personnel is common enough to make it a problem.

Exceptional Operation

A look at the operations of a highly successful company which does not believe in nor practice the vertical promotion plan provides an interesting contrast to the customs of some other insurers.

This company has about one-third the number of titled officials that comparable companies have. The top officials are vice-presidents, each with a specific assignment in over-all charge of one of the company's functions. From this top level, there is a drop to the functional managers of these various departments. There is no group between.

The department managers are of course "promoted" from time to time, but the procedure is on what amounts to a horizontal basis. When the manager is recognized for a better performance in his job, he is given added compensation. In short, he is rewarded for doing his job better, and the broader the scope of his performance the more often he is monetarily recognized. He is not promoted vertically out of his functional duties, until such time as he may become a vice-president, and part of the top group. Then he is given specific duties at that level. But even if he remains where he is, without change of title, he is constantly being promoted, due to his own efforts in broadening his scope of operation. This is also true of those in semi-managerial capacities under him.

Other Company Practices

This philosophy is extended to the branch operations of this company. Everyone in branch management is a production man—including the manager. The entire management staff travels for production purposes. None of the branches is an administrative replica of a home office. Moreover, each branch has the type of autonomy that contributes to efficient performance—the right to make underwriting and agency decisions. In some companies, this is not the type of autonomy that branch personnel always seek. They are sometimes more interested in administrative prerogatives—non-interference with their conduct of in-

ternal detail. When tough decisions, affecting acceptance of a line or some agency problem must be taken, these same branch personnel may be quite willing to relinquish the only type of autonomy that makes a branch a valuable unit.

The efficient company cited for its horizontal promotion philosophy does not believe in standing committees. The only established committee is one for salary consideration where continuity is necessary. Even here, the membership is on a rotating basis.

Ordinarily, however, when this company wishes to bring to bear on a problem the benefits of more than one opinion, it informally convenes a small committee to consider the problem. When a decision has been made, the committee is discharged forthwith. Unlike self-perpetuating committees, it cannot start looking for excuses to continue functioning. Once the immediate problem is solved, its members go back to work.

Proper Use Of Chart

One reason this company has only one standing committee and few committee meetings may be because its officials all have specific assignments, and there is no bloc of partially unassigned persons with titles who make ideal committee operators.

This company is not a devotee of the organization chart. Its chart has been designed by functions, and those performing them are delineated thereon. The only time the chart is consulted is when a practical problem poses the need to clarify assignments, or when a function is to be reassigned. This company has not made the mistake of equating an organization chart with efficient management. There are companies that have a chart but not management.

Any time a company president finds himself using an organization chart to find a place for a man in the company set-up, he is headed for trouble. The chart, if properly designed by function, should unerringly dictate the placing of the men. However, some organization charts proliferate because there are "problem children" on the premises. It is a simple matter to draw another box on the chart, insert a name and connect the new addition with whatever department or departments have been staked out as catch-alls for people management doesn't quite know where to assign.

This situation is so commonplace that it was the main thesis for a best seller several years ago—Parkinson's Law. The nub of that amusing book

was that organizations and personnel invariably grow out of all proportion to the amount of purposeful work that has to be done. Regrettably, many readers of this classic seem to have been more intrigued by its comic aspects than by its profoundly serious analysis of a common corporate ailment. To pose the problem, however, is one thing; to solve it is something else again. An outsider can advance an analysis in cold, impersonal terms. But company presidents, attempting to cope with this dilemma, must overcome long standing and inherited traditions within their companies and must deal with all-too-human staffs—each a "personality" and not a robot.

Can Be The Spark

The very consideration of human values, however, can be the spark to touch a president off in his effort to get maximum mileage out of his managerial staff. There is nothing more unjust to an able man—with talents to contribute to an organization and the willingness to do so—than to allow

him to atrophy in a slot with partially undefined duties. If this humane reflection is not sufficient to prompt action, it might be recalled that a number of deactivated members of management also lower the morale of functioning employees at lower levels. Most important of all, management personnel without well defined duties and decision making powers is not only excess baggage on the march toward the company's goals, but it also can take the organization up and down side roads leading nowhere.

Undefined Duties

In the past it has not been uncommon for large numbers of high level managerial personnel to meet for a discussion on a problem whose solution should rest with one man. Thus, from 20 to 30 officials of a company have been known to consider solemnly for an entire morning session of a yearly field roundup, the question of how frequently the field men's Chevrolets should be washed. Such a confab—involving some officials with only slight interest in the matter—would cost a company considerably more in time wasted and executive salaries than the

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expense of the car washings over a long period. One responsible official should be able to decide such a question by authority of clearly designated duties.

Field men have been known to write their supervisors for a decision on presenting a company plaque to an agency which did not exactly meet the specification for which the award is made. Supervisors take the matter high until several officials are involved over a considerable period of time. The plaque under discussion is worth perhaps \$20. One hour of three execu-

tives' time is worth considerably more. Of course, it is argued that not the cost but the principle of awarding plaques is the important question. That is true, but it only emphasizes that a principle once established in a given area of operation should be interpreted by the officer directly responsible. Where a principle is lacking, one should be established and assigned to one man for future rulings.

These examples of time wasting trivia may be considered extreme. Regrettably, however, the incidence of officials tripping over each other ex-

tends into the more important phases of operation. Perhaps there is no absolute cure for executive criss-crossing, but if each official is assigned a goal and given a clearly marked lane in which to run, it is more likely that they will all reach the finish line without impeding each other.

In quieter and less competitive days in insurance, a bit of corporate straggling could perhaps be tolerated. Today it is unthinkable. Each insurer is in a race—not of systems but of individual companies—to get its profitable share of the market. Any compa-

ny which enters this race with its managerial legs hobbled is not a good bet to finish among the leaders.

Now that agency companies have finally recognized themselves for what they are—marketing organizations—the climate is ideal to tackle the most important job facing insurers—getting the maximum contribution from each member of management, especially those presently in the vacuum between top officials and functioning department heads.

The approach to this riddle should not be based on an analysis of how much paper work or how many tangible duties an individual is performing. He may be up to his ears in paper and as active as a bee-keeper, but his contribution to the enterprise may be minus rather than plus.

To evaluate management performance, a company should recall that every job must have a purpose—to contribute something of predetermined and measurable importance to the profitable progress of a company. The usual job description, consisting of the functions an individual is supposed to perform, is largely meaningless until the job itself is first described in terms of its intended purpose. After that, the detail functions really important to that purpose can be determined.

When the goals of each key post are clearly defined, the inter-relation of each job can be established. Thus the relative importance of every job and consequently the emphasis to be put on each becomes clear. The company then has an organizational approach based on its over-all aims, and the contributions each post will make toward that end.

Then it is time to consider the individual in relation to his job. Immediately, he can be told unequivocally what his objective is. If any company president presently doubts that this information will be news to any of his management staff, he might conduct the interesting experiment of asking each official what the fundamental purpose of his post is. Presidents who receive clear cut answers from most



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A Multiple-Line Company

Home Office: Van Wert, Ohio. Branch Offices: Atlanta, Boston, Dallas, Denver, Los Angeles, Montreal, New York, San Francisco, Toronto.

Credit Card For Hospital Bills Is Filed In Cal.

Medicaid Insurance Corp., offering a credit card approach for the long term repayment of hospital and medical bills, has been filed with the California department by U. S. Underwriting, San Francisco, but no move is planned immediately to register articles of incorporation. The corporation wishes to make the idea available both to the insurance industry and government.

The Medicaid plan is a combination of small loan financing for the first \$1,000 of medical expenses with all excess costs insured up to \$10,000. It provides for long term repayment, possibly up to five years, for the loan portion which would be automatically paid up in the event of disability or death. An individual or family membership requires a small annual fee. Groups of employees pay no membership fees individually; employers would pay a small over-all fee.

The member presents his card to his doctor, dentist, hospital, pharmacy, or any other professional health service. He is then billed monthly for the actual charges plus a service fee. In the event of serious or costly illness, an arrangement is made for long payment on a monthly basis. Repayment is waived if the member is disabled and unable to work. Any balance unpaid at death is covered by life insurance.

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of their staff are in an enviable position. Those who do not, might consider the procedure herein outlined.

If this procedure is used, many key men will understand for the first time what they are to do and how they can constantly improve their performance.

Executives Broaden Scope

One advantage of this system is that it takes the emphasis off the traditional vertical promotion system which prompts some executives to believe that they are not progressing unless they are constantly ascending the titled rungs of a corporate ladder. Each job should have its own imaginary ladder of progress, but it should be laid sideways and the incumbent should range across the rungs, adding more at either end as he grows in his functions. This horizontal system produces the broadest type of executive—one who will be more valuable to his organization and will be recognized monetarily on that basis. Such recognition is surely the ultimate in status.

Concentration on growth within a job has another important by-product. It convinces the executive that he can never reach a status quo. Some presently set their sights on a vertical goal and, having achieved it, think they have no further worlds to conquer. Conversely, the executive who has been convinced that there is no limit to the opportunities in a given job, will turn his attention to innovation—the real function of management.

With a corps of executives thinking on this basis, the entire organization will be concentrating on innovations—ways to do things better.

At present, some insurers profess a determination to relinquish the status quo. However, they may merely be aspiring to take steps toward an improved status quo. They will inevitably be disappointed. They are fated from now on to be innovators, if they are to surpass competition. The company which is not utilizing its management talent to the fullest can never realize that aim.

International Auto Expands

International Auto Exchange, Indianapolis, has expanded into Illinois and Florida, and four officials have been promoted. Ward Fabel, formerly claims manager, is now vice-president in charge of claims. Earl F. Watkins has been named assistant treasurer; Rom Harris underwriting supervisor; and Richard Davis director of agencies.

Service Guide

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Card Completed For Marine Underwriters Big Meeting In D. C.

The agenda has been completed for the annual meeting of International Union of Marine Insurance, September 11-16 at Shoreham Hotel, Washington, D. C.

Committee meetings on Sept. 12 will deal with such subjects as commercially negotiable bills of lading, carriers liability, nuclear fission, freedom of insurance, and cargo loss prevention.

At other sessions Harold Jackson, president William H. McGee & Co., will speak on loss prevention; Owen E. Barker, chairman Appleton & Cox, maritime safety; and Kenneth J. Creber and Leonard J. Matteson of Big-ham, Englar, Jones & Houston, New York law firm, on legal aspects of nuclear cargo in transit.

Thomas M. Torrey, New York resident vice-president of North America, will speak on a freedom of insurance panel with Dr. Andrew Roth of Switzerland.

Visiting speakers and topics include

J. J. Kamp, Holland, on inland and hull business; R. A. J. Porter, England, cargo insurance and nuclear cargo in transit; Jean Jaubert, France, development of insurance clauses, and L. Rostock-Jensen, Denmark, "Safety of Life at Sea" convention.

Carl Briner, Switzerland, will discuss relations with other groups; H. Helmsdorfer, Switzerland, carriers liability; Gordon Hogsflesh, England, ocean hull business, and A. B. Stewart, England, nuclear fission and insurance.

Samuel C. Waugh, president of Export & Import Bank of Washington, D. C., will deliver the main address at the meeting Sept. 15.

Kentucky CPCUs Elect

Kentucky chapter of CPCU has elected Russell M. Caughron, Aetna Casualty, president. Willard M. Brown Jr., Glens Falls, is vice-president and Douglas D. Morse, Associated Insurance Service, is secretary-treasurer.

Oren E. Lane has joined the Los Angeles office of Emett & Chandler, brokers, as an account manager.

N. Y. Society Names Dorris President, Honors Graduates

Insurance Society of New York elected James L. Dorris, president of Hanover, as president at a meeting in New York. The election followed closing exercises of the society's school.

New directors are Arthur L. Schwab, Staten Island agent; Walter E. Beeson, Great American; James C. Hullett, Hartford Fire; Walter Klem, Equitable Society; Karl H. Kreder, Metropolitan Life; and William L. Nolen, Commercial Union-North British.

Roland H. Lange, Hartford Fire, was speaker. He noted that the insurance business has developed more adequate education programs.

Argonaut Names Hoelzle

Argonaut has appointed D. F. Hoelzle underwriting manager at San Francisco. He succeeds Raymond J. Palmer, who will now handle special risks. Mr. Hoelzle joins the company after 25 years in insurance, and Mr. Palmer has been with Argonaut since 1957.

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For your larger accounts, here's a truly comprehensive liability coverage. "Umbrella" provides excess limits over your primary liability contract, and broad coverage for almost every other liability.

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Agents Found Averse To Hard Selling

(CONTINUED FROM PAGE 10)

are growing and prospering—proof that salesmanship does not depend on price.

One of the firm's early programs in insurance was a training course for a large New Orleans agency. This was highly successful. But the firm realized that few agencies could afford its services. The small agent, who needed the service most, could not be reached on an individual agency basis.

Subsequently, however, the firm

was retained to conduct the entire program for the Colorado Insurers' 1959 annual convention. The Merrett-Adams convention team got the audience "into the act," reproduced insurance selling situations, and was a marked success. The firm has been engaged for the 1960 Colorado convention. The firm has also been retained for the NAIA annual convention at Atlantic City in September.

Two state associations saw an opportunity for more detailed and

lengthy training than a convention affords. Consequently, during June the firm conducted special sales seminars at Vanderbilt University and at Springfield, Ill.

Company Inadequacies

The firm has also noted that most of today's successful companies in any field of business are aggressive and experienced merchandisers. This has not been true of the stock casualty and property companies in general. Sales emphasis and sales management are not part of the experience of most in-

surance company executives. They have their positions of trust and responsibility because of their knowledge of and experience in insurance. This creates a climate non-conducive to sales emphasis.

Many companies have recognized this handicap. Some have assigned sales and merchandising duties to executives already in their management ranks. Others have sought such executives from other industries. Both methods have their drawbacks, in the firm's view. Sales savvy and sales consciousness are best acquired through active selling experience. These executives have had little such experience. With regard to men brought in from other businesses, in too many cases, the insurance company hires a talented and high-priced sales or merchandising executive and then ties his hands through reluctance to finance the projects he was hired to develop.

Trend Toward Selling

Why free an agent's time through machine billing techniques if he doesn't spend that extra time in productive selling effort? Why should the companies spend time and money on salable package policies unless the agent can and will sell them? What good is "favorable" legislation unless the agent sells the business? These are some of the pointed questions Merrett-Adams asks as "outside" analysts of the business.

Companies have on their payrolls men in a position to help the agent—the field man. The difficulty is that his background is primarily technical. Nevertheless, Merrett-Adams believes that the special agent may be a key to solving current problems. One of the largest and oldest New York stock companies already has retained the firm to conduct custom-designed training for field men, intended to increase their sales abilities and to arm them with selling help to be passed on to their agents.

For years the companies were happy to pay the agent for persuading insured to buy. Today, many companies feel they are paying for something the agent is not delivering: Selling.

Pacific Indemnity Raises Kehr And Northrop

Pacific Indemnity has appointed Secretary Philip B. Kehr superintendent of the company's home office fidelity and surety claims department. He succeeds the late James A. Gittinger. Mr. Kehr joined Pacific Indemnity in 1940 as an underwriter, then was transferred to the fidelity and surety claims department where he was co-manager until 1952 when he returned to underwriting.

Willard B. Northrop, an adjuster in the fidelity and surety claims department, has been promoted to assistant superintendent.

Texas Agents' Assns. Elect

Texas local agents' associations have elected the following officers: Big Spring—Lawrence Robinson, president; Gerald Mancill, vice-president; B. M. Estes, secretary, and Mrs. H. D. Cowden, treasurer. Brownfield—David Nicholson, president; Perry Bear, vice-president, and Robert L. Nobel Jr., secretary. Fort Worth—Cecil Kingrea, president; George Peterson, vice-president, and T. M. Gooch Jr., re-elected secretary. Levelland—James St. Clair, president; C. B. Edgar, vice-president and Basil Foster, secretary. Pampa—Kirk Duncan, president; Kay Fancher, secretary.

YOUR KEY TO MORE COMMERCIAL ACCOUNTS

Are you being left out where large, profitable commercial accounts are concerned? Let Afco open the door for you!

You'll find the businessman receptive to Afco's many time-saving, money-saving advantages. With one monthly check for all his insurance, he gets the complete protection he needs. He avoids big lump-sum payments that drain his working capital. He avoids having to contend with irregular due dates that are likely to come up at the wrong time of the year.

For you, Afco means bigger sales, bigger commissions, lower operating costs. It means

you can meet competition on all fronts—bring in, or hold onto, large commercial accounts. And it means you can package policies of more than 480 agency insurance companies in one payment schedule.

The new *Commercial Accounts Department* at each of Afco's six offices provides fast, individualized service and will tailor-make a payment plan to suit the requirements of a particular businessman. Afco's attractive rates on commercial accounts are generally lower than bank rates. Even lower quotations will be made for accounts over \$20,000.

**AGENTS HAVE BUDGETED OVER \$140 MILLION
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Call or write the Manager of the office nearest you now for a quotation on that commercial account you're after.

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2200 West 75th St., Kansas City 15, Mo.
SAN FRANCISCO
142 Sunnyside St., San Francisco 4, Calif.
LOS ANGELES
548 So. Spring St., Los Angeles 13, Calif.

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Agent's Knowledge Obligates Company

Knowledge by the agent is knowledge by the company, Georgia court of appeals ruled in a case involving a question of full disclosure of ownership of property. The case was Great American vs Walton and involved a fire policy. It is reported in 10 CCH (Fire & Casualty) 373.

Walton and his wife were given the property by his father. The father died in 1954. Thereafter the junior Walton told Marion H. Barnett, Great American's agent, of the ownership. The agent issued a fire policy on the dwelling in the name of Walton only. The policy was renewed. The property burned to the ground in 1958.

Insurer Demurs

The insurer demurred, on the strength of the provision voiding the coverage if insured conceals or misrepresents any material fact or circumstance concerning the insurance or the subject thereof, or the interest of insured therein. The clause also provides that no provision can be waived unless expressed in writing and added to the policy.

The court held that Walton made

full disclosure to the agent of the interest of himself and his wife in the property prior to the issuance of the policy. Consequently there was no willful concealment and misrepresentation.

Stephens, Fortson, Bentley & Griffin of Athens, Ga., appeared for Walton, and Walton Hardin of Washington, Ga., for the insurer.

Independent Insurance Agents Assn. of Manchester, N.H. is the new name adopted by Manchester Fire & Casualty Assn.

Reliance Moves Albert To New Post At Madison

Reliance has elected John S. Albert assistant secretary and transferred him from regional manager at Detroit to the western department at Madison, Wis.

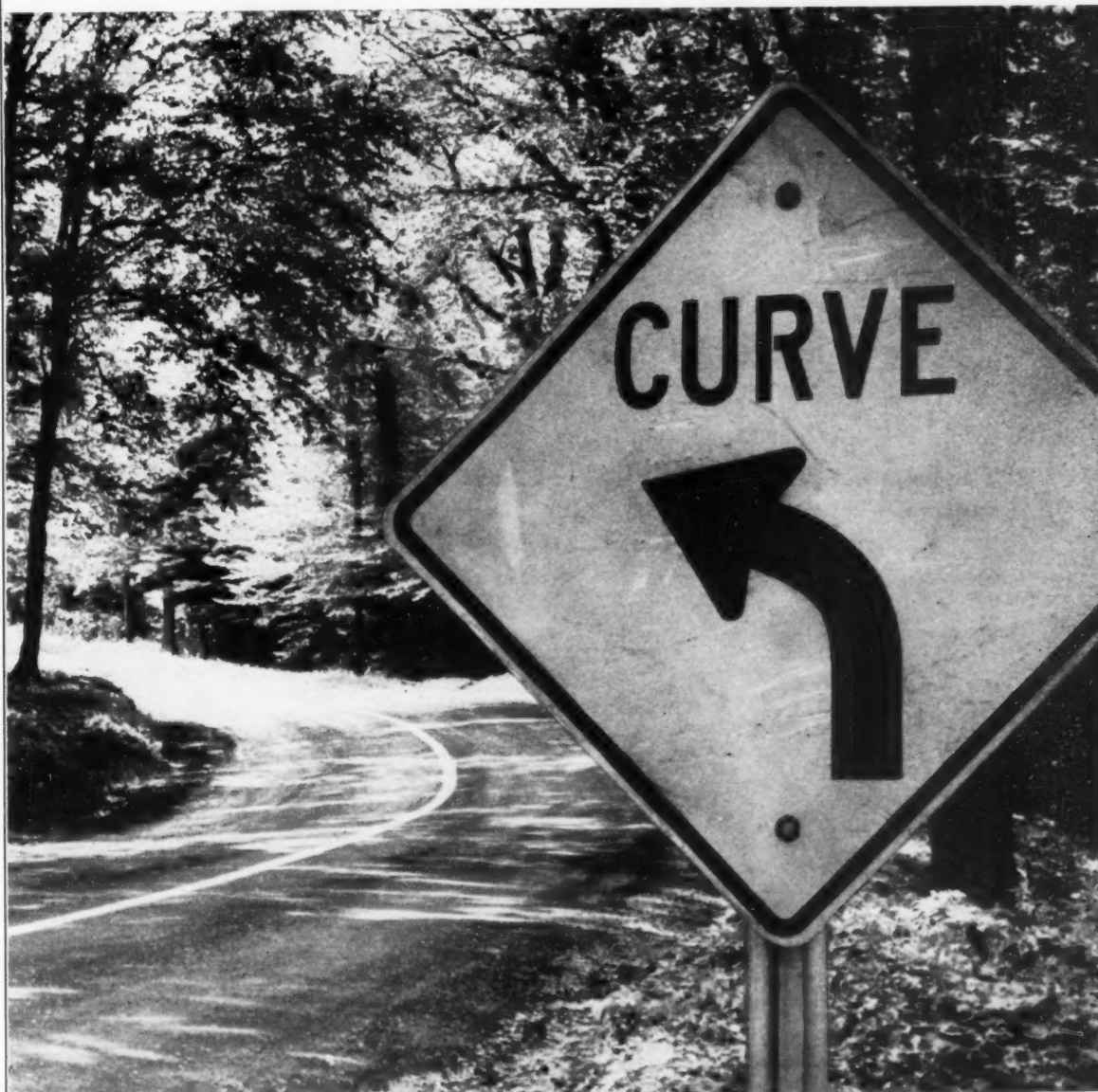
Mr. Albert joined the company in 1946 at the home office as a member of the company's first training class. Subsequently he was transferred to the New York and later to the Pacific Coast department as marine special agent. He was later named state agent

in Wayne County, Mich., and was appointed regional manager of field offices in Michigan and Indiana in 1953.

Miami Women Elect

Insurance Women of Miami have elected Mrs. Christine Farrar president; Mrs. Robert E. Davis and Mrs. Lucille A. Green vice-presidents; Mrs. Guy J. Shields recording secretary; Mrs. B. K. Durst corresponding secretary, and Mrs. Jesse Francis treasurer. Mrs. Marjorie L. Foulkes, past president, became a member of the executive board.

"Unforeseen events... need not change and shape the course of man's affairs"



...he went straight

Because he went too fast. Too fast to heed the warning of danger ahead. The rules of the road are for everybody's safety. So have your car in control at all times.

Remember: *the wheel of your car is a wheel of chance. Handle it with care.*

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

How to help speed loss settlements

When a disaster cripples a plant and halts production, speed in adjusting the insurance loss is of prime importance. Shipments may be halted, deliveries deferred and orders canceled. Your client will not be happy over the possible loss of customers before production is resumed.

The insurance adjuster will be on the job promptly but, if the property records are inadequate or incomplete, settlement of the loss may be long delayed.

An American Appraisal prepared before the fire will provide the basis for a prompt and equitable settlement. For more than 60 years American Appraisal reports have stood the test in the adjustment of fire and other casualty losses.

Recommending American Appraisal reports to your clients is good protection for your business.

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**DOORS OPEN...
SALES GROW**

**for the producer who
sells the *whole* account**

The companies of the L & L... modern multiple-line companies... offer full assistance in any stage of the sale.

LONDON & LANCASHIRE GROUP
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STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department)
20 Trinity Street, Hartford, Connecticut

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Platt And Giordano Named In Marine By Stewart, Smith & Co.

Stewart, Smith & Co. has appointed Frederick J. Platt manager of the



Frederick J. Platt



Victor D. Giordano

marine cargo and hull department at New York and has named Victor D. Giordano technical assistant to A. C. Wynne, vice-president in charge of the marine department there.

Mr. Platt has been with Stewart, Smith & Co. since 1955. Prior to joining the firm he was assistant to the reinsurance manager of Marine Office of America for 20 years.

Mr. Giordano has been an ocean marine underwriter with Carpenter & Baker, New York, since 1956. He began with Home in 1947 in the fire underwriting department and later transferred to the ocean marine department.

Stewart, Smith & Co.'s marine department specializes in extraneous cargo and problem marine risks, including hull, P&I, stevedore and wharf liability.

Faha Named President Of N. Y. Bond Underwriters

George H. Faha, Citizens Casualty, was elected president of Assn. of Bond Underwriters of New York City at its annual meeting. He succeeds John F. Cannon, Excess & Treaty Management Corp.

G. A. Van Buskirk, Springfield F.&M., was elected vice-president; William Tynan, Great American, secretary, and Joseph McKenna, Hartford Accident, treasurer.

Mennie President Of Ohio Casualty & Surety Men

Ohio Assn. of Casualty & Surety Representatives has elected Donald U. Mennie, Home Indemnity, president. New vice-presidents are C. L. Templeman, Royal Indemnity, and J. J. Mulcare, Aetna Casualty, and John Donnelly, Fidelity & Casualty, is secretary-treasurer.

E. J. Hamner Retires

Edward J. Hamner Jr., manager of the live stock transit department of Hartford Fire at Chicago, has retired after more than 40 years with the company. He was special agent at St. Joseph and St. Louis, Mo., and local manager of the live stock department at Indianapolis before being transferred to Chicago in 1942. M. M. McGrew, associate manager, will supervise the department at Chicago, until Mr. Hamner's successor is named.

Terrell Joins Haidinger-Hayes

Henry Terrell has joined Haidinger-Hayes as manager at San Francisco. Mr. Terrell has been with C. V. Starr & Co. since 1953, and prior to that was with Swett & Crawford, which he joined in 1937. He was assistant casualty manager at Los Angeles of Swett & Crawford and in 1948 became assistant manager at San Francisco.

Indiana A&S Assn. Gets Preview Of Legislative Commission Proposals

(CONTINUED FROM PAGE 12)

nursing home care as well as for hospitalization.

—A bill strengthening the insurance law to make sure the agent is not excluded in group cases "in the pell-mell rush to put volume on company books."

—Placing credit insurance in the hands of the insurance department.

—Possible departmentalization of the insurance department by lines, with a deputy commissioner in charge of each department.

Offers Sales Ideas

Carl Ernst, director of A & S sales North American L.&C., offered a wealth of sales ideas. He urged complete abolition of the word "policy" from selling vocabularies, substituting "money" in its place. He pointed to the far greater popularity of TV over radio as proof-positive of the need for visual selling. Dramatizing the cost of sickness and death, he noted that the majority of undertakers and physicians drive Cadillacs. He emphasized the cost of illness, observing that "the only difference between them is that the physician has to decide each morning whether to use a pink or white Cadillac."

Mr. Ernst warned that the life insurance sales technique of starting with a substantial proposal and reducing it if the prospect objects will not work in selling health insurance. "I don't know why," he said, "but with health insurance, it is better to start low and work up. Health insurance prospects simply will not buy 'half a program.'"

Petersen Named President

W. Harold Petersen, Underwriters National, was elected president of the association, succeeding Earl Frei, Mutual of New York. New regional vice-presidents are John Morris, Morris agency, Fort Wayne; Joseph Pike, Prudential, Evansville; Weymouth Fogelburg, Indianapolis Life, Indianapolis; and H. C. Overgaard, Woodmen A.&L., South Bend. Mrs. Mildred Saunders, North American L., A.&H., and Paul Hill, R&R Service, were re-elected treasurer and secretary, respectively.

The Indianapolis association, whose annual business meeting preceded the state convention, elected Leo Costin, All American L.&C. president and Paul Hill, R&R Service, president-elect. Vice-presidents are Richard Stump, Associates Life, and Earl Mulcahy, Hoosier Casualty. Robert Donley, Insurance Salesman, is secretary and Mrs. Alice Spanagel, North American L.&A.H., is treasurer.

Elevated By Standard Accident

Walter P. Hammond Jr. has been appointed claim department manager at Hempstead, N. Y. by Standard Accident. He began as an adjuster in 1948, going with Standard in 1956 as a supervisor in the home office casualty claim department. He was named regional superintendent of the department in this year.

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Insurance Specialists 34 Years

California Positions

Male—Female

All Lines

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**ROCKET TO
NEW HEIGHTS**
with
**ILLINOIS MUTUAL'S
NEW INCOME SECURITY
POLICIES!**

These Golden Anniversary Policies feature First Year Accident and Sickness Commissions at a Life Insurance Level with A & S Renewals.

1 Golden Anniversary Income Security Policy
Non Cancellable and Guaranteed Renewable to Age 65

2 20th Century Income Security Policy
Guaranteed Renewable to Age 65
(Subject to Premium adjustment by Class)

Inquire about our Direct Contract or Brokerage arrangement. Featuring First Year Accident and Sickness Commissions at a Life Insurance Level with A & S Renewals.

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IAC Has Record Attendance At Miami

(CONTINUED FROM PAGE 1)
dustly to take a defense stand and be against things."

Dr. Thomas F. Malone, director of research Travelers, told the members they must "pause and take stock on what has happened and what lies ahead as we cross the threshold of a new decade which may soar, may stumble, and is almost certain to surprise us all."

T. Ramsey Taylor, was elected president succeeding J. K. Cagney, Hartford Fire. William J. O'Meara, Aetna Casualty, and Arthur Dannecker, Ohio Farmers, were named vice-presidents. The new secretary-treasurer is Joseph W. Landers, American Fire & Casualty, and assistant secretary-treasurer is K. M. Young, Canadian Underwriters Assn.

It is Dr. Malone's view that the interaction between the insurance industry and the national economy, and, in turn, the international economy, will have an important bearing on the growth of the industry in the decade ahead.

Three Major Developments

The three major developments that will affect these interactions, Dr. Malone said, are the massive world economic revival, the astonishing economic revival of the nations, especially in Europe, and the economic competition of the three segments of the world population, the democratic, the communist, and the uncommitted. He said that senior management must be free from preoccupation with current day-to-day problems in order to concentrate on the establishment of carefully thought-out long range objectives, policies and programs.

IAC president J. Kenneth Cagney, in his annual report warned the members against a "yes man" conformity and stressed the need for better advertising material in the new "across the board marketing atmosphere."

Winners of the annual awards program for agency advertising were, by ascending category of premium volume, the Helen Rubane agency of Los Angeles; the Cutshall agency of Allentown, Pa.; the Rogers & Gray agency of Orleans Center, Mass., and the C. M. Verbiest & Associates agency of Detroit.

Cubbage Presents Awards

Cooper Cubbage, Jacksonville, Fla., a member of the executive committee of National Assn. of Insurance Agents, made the award presentations. Entries were received from agents and brokers throughout the U. S. and Canada, and they were evaluated for effective use of advertising, publicity or public relations.

Premium volume determined the category of the entries, the four separations being for agencies under \$50,000, from \$50,000 to \$100,000, from \$100,000 to \$250,000, and more than \$250,000.

In each division an "Oscar" was given to the agent or broker exhibiting the best ad program regardless of media. "Oscarettes" were awarded in each division for the best use of advertising in the media of radio and/or TV, direct mail and newspapers.

There was no "Oscarette" in division 1 (under \$50,000), but in division 2 the Douglas agency of Mason City, Ia., won an award. In division 3, an "Oscarette" for radio went to the Francis P. Lyons agency of Northampton, Mass., and one for newspaper advertising to McElroy, Minister, McClure & Kientz, Columbus, and another to Ethridge-Spring agency of Friona, Tex.

In division 4, a newspaper award was

presented to the Field, Eddy & Bulkley agency of Springfield, Mass., a radio award to the Meade company agency of Topeka, and another award to C. J. Campbell agency of Calgary, Alberta.

Judges of the award program were Robert H. Gott, Standard Accident, chairman; J. R. Howell, Fortune magazine; R. L. Polk, R. L. Polk Co.; R. E. Kilgore, Gray & Kilgore; J. J. Kelly, CBS TV; C. E. Kane, Newsweek magazine, and C. S. Harris, Young & Rubicam.

In the company advertising contest, the "best of show" award went to Hartford Fire for the second year in a row. Other award winners by categories were: Complete advertising campaign, Hartford Fire, Fireman's Fund and Standard Accident; consumer magazine advertisement, Aetna Casualty; business magazine advertisement, Zurich; newspaper advertisement, Royal-Globe; direct mail advertising, Fireman's Fund and Royal-Globe; display advertising, Hartford Fire; company publications, Fireman's Fund; radio advertising, Aetna Casualty; miscellaneous promotional material, American Casualty.

The panel of judges was comprised of H. E. Freeman, Public & Industrial Relations; R. L. Munro, Rapid Grip & Batten; A. C. Scott, Plow & Watters, and Harold F. Stanfield, Standfield, Johnson & Hill, all of Montreal.

Winner of the award in the company press release competitions was North America. Judges for this category, under the chairmanship of John N. Cosgrove of THE NATIONAL UNDERWRITER, were: Wallace Clapp, Eastern Underwriter; R. Rowland Dearden, United States Review; Emanuel Levy, Insurance Advocate; Elmer Miller, Journal of Commerce, and Clifford Reckling, Weekly Underwriter.

Earlier in the year it was announced that IAC would present an award to a "B" member who had made an outstanding contribution to the insurance industry during 1959. This award was given to John Cosgrove, associate editor THE NATIONAL UNDERWRITER, for his "outstanding series of articles" on insurance advertising and marketing" in which he described the operations of a number of leading companies.

An interesting audio-visual presentation, "The Market of the Sixties," was given by Arthur Hecker, Life magazine. It dramatically described the market 10 years from now, when the average family income will be \$7,500 per year and new households being added to the economy at the rate of one million per year. Based on studies made by Fortune, it was predicted that the so-called upper income group will be the mass market of the future and that this will be not just one market, but rather a collection of several hundred markets.

The members paid tribute to Miss Margaret Ellson, who retired as executive secretary after 13 years of service. She was succeeded by Charles K. Oaks Jr., advertising assistant Travelers.

Mr. Oaks announced the publication,

ACCIDENT and SICKNESS AGENCY SUPERINTENDENT

One of the largest writers of accident and sickness insurance in the midwest, is interested in securing a man, age 30 to 45, with ample sales and managerial experience to qualify for this position. Starting salary a minimum of \$9,000 a year or up depending upon the applicant's ability. All replies will be treated confidentially. Write to Box P-49, c/o The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Illinois.

under association sponsorship, of a booklet, "How Successful Agents Advertise Successfully." It features the advertising techniques of local agents who have won IAC Oscars in recent years and was edited by seven IAC members. Many companies plan a wide distribution to local agents.

Scheer Heads Panel

A panel discussion was headed by C. F. Scheer, Zurich. Panelists were Mr. Dannecker, Mr. Oaks, and Miss Gertrude M. Kiefer, American Casualty. The panelists described their meth-

ods of assisting local agents with their advertising programs. Miss Kiefer used a catalogue which contains illustrations of all the various sales promotion pieces and advertising mats that the company will provide either free or at nominal charge. Mr. Oaks described the "service bureau" operated by Travelers which is equipped to supply tailor made advertising at the local level. A survey of the public's image of the local agent was presented by Mr. Dannecker, who has given this talk before 37 state organizations in the past year.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
THE NATIONAL UNDERWRITER

EXECUTIVE OPPORTUNITY

Here is a real "ground floor" opportunity for you!
ALLSTATE INSURANCE COMPANY

is expanding into the Commercial Fire field and we have need of a Commercial Fire Underwriting supervisor. This position offers a real challenge to the right person. Our man will have a minimum of 5 years experience in a home or branch office with wide latitude for commercial fire risk selection and binding authority, including the setting of re-insurance, along with management or supervisory experience. He will probably be between 30 and 40 years of age. He must be a competent analyst of experience trends and have ability in planning and directing training activities. Some field experience will also be valuable.
ALLSTATE OFFERS ITS EMPLOYEES AN OUTSTANDING BENEFIT PROGRAM, INCLUDING PROFIT SHARING.

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MIDWEST ZONE OFFICE
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WANTED—TOP FLIGHT FIRE AND CASUALTY SALES MANAGER

National Insurance organization headquartered in Chicago is planning expansion of its fire and casualty lines through establishment of a centralized sales unit to take full charge of new business development for all Companies in the group.

This is a challenging opportunity for a top man who has a proven record of success in both personal selling and sales administration. In addition, he must be thoroughly familiar with training, promotion, policy construction, underwriting—and be the kind of self-starter who can coordinate all of these functions into an upward sales curve.

If your experience fits this description, we'd like to hear from you. We'll pay the right man whatever salary it takes to attract him, liberal bonus for achievement, fringe benefits normal to an executive position of this type, and provide all the support necessary to insure success.

Write in Considerable detail about yourself to:

Box S-23, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ENGINEERING OPPORTUNITY

Thirty three year old multiple line company operating in 42 states and now in new growth phase under experienced and progressive management group wishes to employ well qualified person to head new casualty engineering department. Relocation and travel expenses for interview will be paid by company. Write fully including salary requirements to: Vice President of Underwriting, Preferred Insurance Company, Grand Rapids 1, Michigan.

An Arizona firm wants a qualified Multiple Line Adjuster with at least Five Year Experience to manage a branch office. An opportunity for partnership will be made available to the right man. Give full details of education, employment, salary requirement, references and experience in first letter. Write Box S-16, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SURVEY MAN

WANTED: Insurance survey man for Boston firm. Expansion of international status has created need for college man to join our staff. Should have working knowledge of all general lines and ability to analyze coverages and prepare reports. Our firm does not sell insurance. Address Box P-44, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MULTIPLE LINE FIELD MAN

Outstanding opportunity to join forces with an aggressive multi-state insurance group now expanding operations into northern Illinois. Minimum 3 years field experience all lines. Age to 35. Reply Box S-7, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

UNIQUE OPPORTUNITY for QUALIFIED FIRE ADJUSTER

Man, age 35-40, with approximately 12-15 years varied field experience adjusting fire and allied lines, including Business Interruption claims. Locate in Chicago, but willing to travel country-wide as required for field supervision and liaison activities. Also, office duties of consultative or advisory nature. Speaking and writing abilities helpful. Sound knowledge of property insurance and loss adjusting essential. A permanent position with increasing responsibilities for right person. No telephone calls nor preliminary personal interviews will be accepted. Applications must be in writing and will be held in confidence. Submit biographical information, adjusting qualifications and expected starting salary to personal attention of The Secretary-Manager.

MUTUAL LOSS RESEARCH BUREAU
20 N. WACKER DRIVE, CHICAGO 6, ILLINOIS

UNDERWRITER

Experienced Casualty Underwriter with military or civilian aviation background. Prefer C.P.C.U. with heavy fleet experience. Unusual opportunity. Submit resume to Box S-1, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

ADJUSTER, experienced a minimum of four years in fire and allied lines, by well established independent in Mid-west. Guarantee plus. Possible partnership for right man. Write full particulars. All replies strictly confidential. Reply Box S-24, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Insurance Adjusters
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Fire Inland Marine Casualty

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Tulsa, Oklahoma
Phones LU 2-5460
GI 7-3850

Zurich Promotes 7; Kohn, Coyne Are Named Secretaries

(CONTINUED FROM PAGE 6)

tion. In 1957, he was promoted to production supervisor of the companies' agency department, and in 1959, he became division sales manager and was named assistant secretary, responsible for casualty and fire production under Fred H. Oliver, assistant U. S. manager in charge of sales and marketing.

Mr. Kohn has been with Zurich since 1947, when he joined the head office underwriting department in Chicago. He was made supervising underwriter in 1950 and assistant superintendent of the underwriting department in 1955. In 1956 he was transferred to New York as administrative assistant, and later that year was named assistant secretary. He returned to the head office in 1959, to assume responsibility for casualty underwriting under Lewis F. Miller, assistant U. S. manager.

Had 22 Years' Experience

Mr. Keller joined the company in 1958 as assistant superintendent of fire, with 22 years of experience in insurance underwriting and administration. His prior associations include Commercial Union, North British & Mercantile, General Cover Underwriters Assn., and National Union Fire, where he was secretary in charge of the southern department. In 1958 he was appointed superintendent of fire and inland marine underwriting for Zurich.

Mr. Thomas joined the Zurich group underwriting department in the head office in 1947. In 1956 he was promoted to supervising underwriter and in 1957 he became superintendent of group underwriting. Since January of this year he has been superintendent of A&S underwriting, including group, individual, and special risk, under William W. Chalmers, assistant U. S. manager.

Began In Business In 1933

Mr. Richards has been in the insurance business since 1933. He came to Zurich in 1954 from Hartford Accident, joining the New York branch as assistant manager of the claim department. In 1956, he became manager of the department and in 1958, he was appointed assistant secretary.

Mr. Waters joined Zurich in 1957, as Fresno field representative. His background includes work with the Oregon Rating Bureau and with National Union Fire in Washington and California. He has been Seattle branch manager for Zurich since 1958.

Mr. Deardorf has been in underwriting and production for the past 15 years. After two years as underwriter and special agent for Edward Brown & Sons, San Francisco, he joined a brokerage firm in that city. In 1948 he went to the Phoenix of Hartford group in San Francisco as special agent, later moving to Los Angeles and, in 1951, to Portland, Ore., as district manager. In 1958 he joined Zurich there as sales representative.

Vance Succeeds Vincent At Kansas WC Bureau

Charles T. Vance has been appointed manager of the Kansas Compensation Rating Bureau. He succeeds Edward J. Vincent who retires July 1 after 33 years with the organization.

Mr. Vance joined National Council on Compensation Insurance Mountain States bureau as an inspector at Den-

ver in 1944 and was later assistant at Salt Lake City. He became assistant manager of the north central bureau at Des Moines in 1953.

Mr. Vincent went with Missouri Compensation Rating Bureau in 1927 and subsequently managed bureaus at Jacksonville and Indianapolis.

Eisenhower Rejects Bill To Give Plaintiffs Venue Rights vs U. S. Employees

President Eisenhower has vetoed and returned to the house, an amended bill which would have given plaintiffs in motor vehicle cases against government employees the right either to allow the case to be removed to U. S. district court or tried in a state court.

The original bill, favored by the President, would have removed such cases to the U. S. court automatically, making it an action against the U. S. under the federal tort claims act and the plaintiff's exclusive judicial remedy. Government drivers would cease to be defendants and be relieved of personal liability.

The President objected to the amendment giving plaintiff the right to refuse consent to trial under the federal tort claims act, asserting it would make the bill inconsistent internally, and give rise to needless litigation.

St. Paul F.&M. Names Downs, Garrick In S. C.

St. Paul F.&M. has promoted Wade Downs from special agent to state agent at Columbia, S. C. He will handle the southern territory. Rufus F. Garrick has been appointed special agent at the same office and will assist State Agent E. B. Sample in the northern territory.

Central Ohio Buyers Elect

Central Ohio chapter, American Society of Insurance Management has elected Sam B. Garwood, Columbus & Southern Ohio Electric Co., president; C. B. Rogers, Peoples Broadcasting Corp., vice-president; James A. Biggerstaff, Anchor-Hocking Glass, secretary, and B. C. Behmer, Jaeger Machine Co., treasurer.

Dixie Auto Raises Two

Dixie Auto has promoted Frank Lyons to manager of the underwriting department, and F. L. McKenzie to chief accountant.

Mr. Lyons, who joined the company in 1958, has been southeastern underwriter. Mr. McKenzie went with the company in the accounting department in 1956.

Ga. Mutual Agents Hear McKiever On Troubles From 1959 HO Rate War

George R. McKiever, Miami agent, speaking at the annual meeting of Georgia Assn. of Mutual Insurance Agents at Chattanooga, deplored the war going on for homeowners business. It is particularly unfortunate in the light of the "trial" of the business being conducted by a congressional committee, he said.

Mr. McKiever, vice-president of NAMIA, said the rate battle is injurious to the public, agents and ultimately the companies. He suggested all insurers might cooperate to solve the problem.

He doubted the value of the HO in price. It has exclusions which did not previously exist, such as the \$50 deductible in Florida which applies to all perils except fire.

The 34% expense factor allowed the companies is causing some commission cuts and may require a general commission reduction, Mr. McKiever said. Agents, for less return, must explain to insured how coverage restrictions can be overcome at additional cost.

He said that companies are being compelled to write HO on a very selective basis or they will sustain greater than tenable losses. Smaller companies may not be able to take the underwriting losses, and reduced HO rates will restrict the market available for normal homeowners business. Less desirable dwellings business will be thrown into the fire and EC category which would aggravate the situation already in some states where HO can be bought for less than fire and EC, Mr. McKiever suggested.

Past Presidents Of D. C. Agents Gather At Dinner

Nine past presidents of District of Columbia Assn. of Insurance Agents attended a dinner meeting in Washington. They honored Carl A. Anderson, Schinnerer agency, 1959 president, for his services. The meeting was attended by Charles R. Barker Jr. (1958); Huntington T. Block Jr. (1957); Joseph L. B. Murray, (1956); Herbert M. Pasewalk (1955); J. Douglas Wallop Jr. (1954); A. L. Jagoe Jr. (1953); Victor O. Schinnerer (1951); V. Manning Hoffman (1950), and the incumbent, H. T. Buermann.

Western Casualty Appoints

Western Casualty & Surety has appointed Floyd G. Whitney Jr. assistant manager of the fidelity and surety department at Kansas City.

REINSURANCE

FRANK BURNS INC.

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INSURANCE TO FIT THE NEED

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COMPREHENSIVE LIABILITY

**hazards may change
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✓ A careful survey of your client's operations and premises may give you a pretty complete picture of the hazards that can produce liability claims. But what about changes in the risk after the policy has been written—new equipment, new methods, new products, new locations? To meet that problem safely, a client needs comprehensive coverage that picks up those increased hazards automatically and adjusts the premium by audit.

✓ "Shelby" agents assure proper protection for their clients and avoid both loopholes and duplication in coverage by writing more and more of their liability business under the Comprehensive Liability policy.

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INSURANCE COMPANY
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FIRE & CASUALTY**



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BURCHARD
COMPANY**

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- Depreciation Studies
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Nationwide Stand On A&S For Aged Put In Congressional Record

WASHINGTON, D. C.—Sen. McNamara of Michigan, who has introduced his own liberal version of the Forand bill in the Senate, has put into the Congressional Record Nationwide Mutual group's recent policy statement backing use of the social security principle to provide basic hospital and medical care for persons over age 65.

Nationwide President Murray Lincoln, in releasing the policy statement, said the thinking behind the group's stand was not that government should do for people what they can do themselves, "but we have a situation where the government must step in if basic medical care is to be made available to people who need it."

In his statement prefacing introduction of Nationwide's stand, Sen. McNamara said, "Nationwide is the first insurance company to recognize the point I have made earlier on this vital topic—that the type of legislation such as I have introduced in S 3503 will create opportunities for private insurance companies to offer supplementary protection in addition to the basic benefits provided in such legislation."

The senator added that the policy statement affirms "my insistence and that of my co-sponsors that we are not out to destroy the field of private health insurance."

Lowe Named Manager Of N. E. Inland Marine Unit

Mutual Inland Marine Underwriters of New England has appointed Edwin B. Lowe manager. He entered insurance in 1950 with Providence Washington. He joined Employers Liability in 1954 and was named marine special agent in Massachusetts and Rhode Island in 1958.

Cincinnati Buyers Assn. Elects Hilliard Fjord

Hilliard J. Fjord, associate counsel Western & Southern Life, has been elected president of Cincinnati Area Insurance Managers. He succeeds Henry A. Newman, Andrew Jergens Co.

Other new officers include T. N. Fisher, Fifth-Third Bank, vice-president, P. K. Dykes, Ohio River Co., secretary, Haven G. Everill, Cincinnati Gas & Electric, treasurer.

Mr. Dykes was elected to the board of directors, along with W. F. Smith, Foy Paint Co., and P. C. Cowan, Ohio National Life.

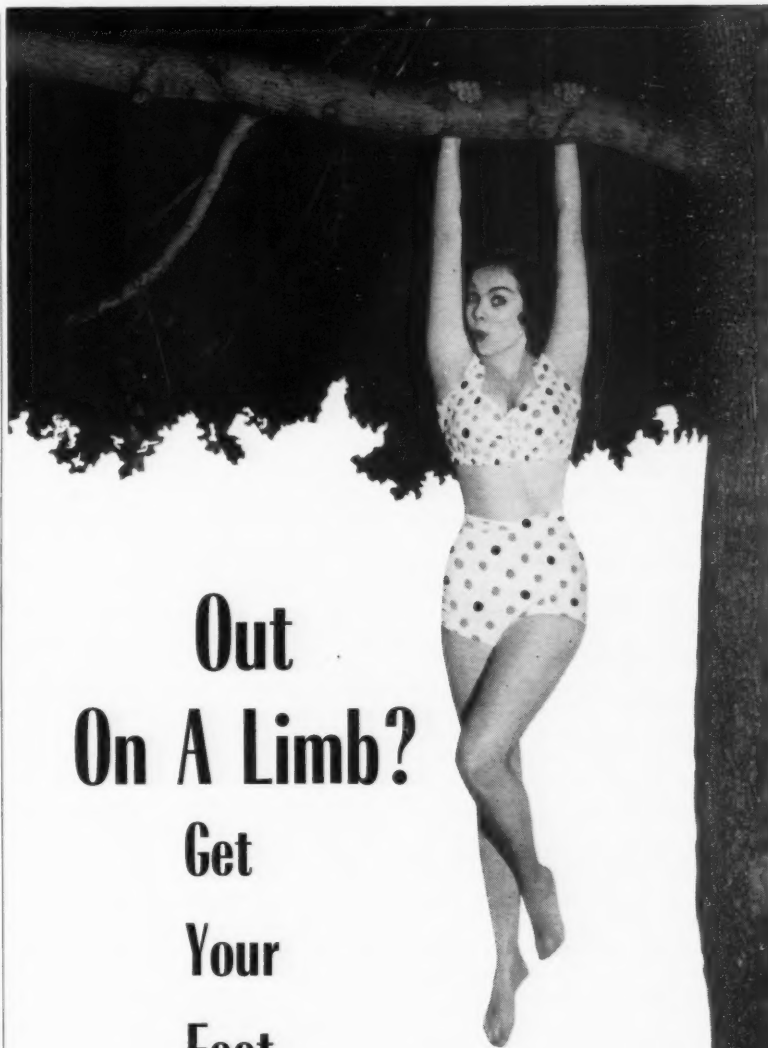
Conn. Field Club Elects Hawkins As President

Connecticut (Fire) Insurance Field Club at its annual meeting elected Harold F. Hawkins, New Hampshire, president; John H. Ellen, Yorkshire and John T. Fennessy, American, vice-presidents; Kenneth B. Lynch, Employers Liability, treasurer, and G. S. Tomkins, Boston, secretary.

N. Y. School Alumni Elect

The alumni association of Insurance Society of New York school elected John D. Kemper, Royal-Globe, as president at its annual dinner meeting.

Jack Giannelli, Inter-Regional Insurance Conference, and William W. Waidler Jr., America Fore, were named vice-presidents; E. Henry Lamwers, America Fore Loyalty group, treasurer; and Judith Reines, Scottish-Norwich, secretary.



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Editorial Comment

Watch Your Language—Others Do

Insurance terminology comes under criticism from time to time, which is good for it, though the criticism seldom does much to correct identification. In this connection, the talk by Davis W. Gregg, president of American College of Life Underwriters, at Special Libraries Assn. in Cleveland is refreshing and fascinating. It was reported last week.

Mr. Gregg is a member of the Commission on Insurance Terminology established in 1958 by American Assn. of University Teachers of Insurance to introduce, "in an evolutionary way," greater clarity and exactness in insurance terminology. His talk describes some of the difficulties already encountered by the commission.

To those who do not believe terminology is of much importance to the business, Mr. Gregg's comments will be revealing and educational:

—Countless sales are lost because the public doesn't know what we are trying to say about our products and services.

—Manpower development costs are doubled or trebled because trainers and teachers must explain and re-explain concepts and techniques.

—Stiff taxes and restrictive legislation surround us because legislators cannot seem to understand how we function.

It is difficult to judge which branch of the business has the most difficult terminology, Mr. Gregg observes. The pilot group of the commission was established in 1959, a committee on health insurance terminology. This committee has spent a great deal of its time in its first year determining whether or not it was properly named at the outset.

Mr. Gregg points out that the best type of insurance the life business has to offer is "ordinary." Another observer once commented that he would hate to have the job of trying to sell "standard protection" which is the insignia of one of the prestige organizations in the fire insurance business.

There are many other terms in the property and liability field that are

inexact, meaningless, and even distortionary. He who uses ill defined terms in thinking may arrive at wrong conclusions. If he uses them in communication, he may be misunderstood. It is bad enough when such terms are confined to intramural discussion. It can become positively harmful when they reach the layman, who is very likely an insurance buyer, and who certainly is one unit in the formation of public opinion.

Take the supposedly descriptive term "captive agent." Whoever coined it must have been more concerned with hexing a competitor than describing him. Actually the term does neither. A captive means someone held against his will. Whatever the sins of agency company competitors, their most vehement critics would not accuse them of conscripting salesmen and holding them in bondage.

"Independent" agents sell general lines and place them with five, six, or 20 companies which they represent. Often these same agents sell life insurance and place it by agreement with a single company. Are they, then, independents while selling general lines and captives when selling life? More to the point, property and casualty insurers are acquiring life companies. Their ultimate aim is to induce agents to sell all personal lines and to place them with one organization. If it is to their advantage to do so, many agents will follow this procedure. What adjectives will they use then to describe their status—counselors, professional advisors, brokers, agents, entrepreneurs, insurance storekeepers, protection trouble shooters, one-stop sellers, all lines salesmen, or what?

Some agency company men use "captive agent." Yet they work for one employer. That doesn't make them captives, even though they have considerably less freedom in the disposition of their time, talents and energy than many captive agents.

"Independent" is an odd term to use in describing agents who generally represent companies which for the

most part are still members of bureaus and hence are not entirely independent in their rating and marketing procedures. Conversely, captive agents represent companies independent of bureaus and are therefore pretty free to operate on their own terms. Thus agents who are free or independent represent companies whose pace and product often are determined by the majority vote of a large group of insurers.

In truth, so far as this business is concerned, the one person precisely independent in an insurance transaction is the customer. He is using his independence every day in choosing his source of coverage.

Such terms as "inland marine" and "use and occupancy" can be explained in a sales transaction. But that is exactly the point: There should be no need for such explanations. Every obscure term is a hurdle in the path of a sale. Terms used in marketing should clarify, not mystify.

Another classic example of plainly incorrect terminology is "carrier" to identify an insurance company. The word may do no great harm, though it would indicate that some may not know what business they are in and may confuse the public. A carrier is a firm, or vehicle, or animal such as the ass or camel, in the transportation field. The word is also used to describe a person who bears or transmits disease germs. Persons using the word carrier really mean insurer.

"American agency system" is another puzzling term. It is used in the property and liability insurance business to designate multiple-company agents and the companies that distribute their product through such producers. Yet life agents of the country, working for one company by contract specification, describe themselves, their companies and what they do as the "American agency system."

"Direct writer" is another ambiguous phrase. Reinsurers use it, with some justification, to describe primary insurers as distinguished from their own companies, which do not write insurance for consumers. But most commonly it is employed critically to describe the exclusive agent companies. Yet those agents are paid by commission and many of them regard themselves as very independent indeed, a view in which their companies at times would concur. Many of them

pay their own rent and other expenses, they buy everything they use except applications, they operate on hours set by themselves, and many of them settle all small losses.

It is bad enough when confusing terminology is deliberately employed to obscure the issues and to try to stigmatize rivals. It is worse when it is used in good faith and seriously believed by those applying it. Misuse of terms leads to, among other things, underestimating the competition and confusing the public.

Cardinal Richelieu established the French Academy to keep the French language sharp and clear. So there is a distinguished precedent for the commission on insurance terminology. It has a big job. We wish it a successful career.—J. N. C.—K. O. F.

Personals

Mrs. John A. Diemand Jr., wife of North America's vice-president, with their daughter Deborah, 16, as copilot, will compete with 160 other women pilots in the 2,700-mile Powder Puff Derby from Torrance, Cal., to New Castle County airport, near Wilmington, Del. Mrs. Diemand will fly a single-engine Cessna to the coast for the July 9 start of the race, and will stop at Detroit, Milwaukee, Omaha, Salt Lake City, and San Francisco with invitations to mayors of those cities to visit Philadelphia.

Carl Olson, Alexander & Co. and secretary-treasurer of Chicago chapter of Society of Fire Protection Engineers, has been presented with his first heir, a 6 lb. 11 oz. boy named Gerald Carl.

T. C. Anderson Sr., vice-president John Naghten & Co. agency, Chicago, is resting well at University of Chicago's Billings Hospital following major surgery. He is expected to be confined for several weeks.

Deaths

WILLIAM B. KNIGHT, 88, retired field man of the L. B. Leigh & Co. general agency of Little Rock, died. Before he retired about 15 years ago, he was in the Arkansas field for nearly 50 years.

A. E. THOMAS, 63, of the Hutchinson agency, Point Pleasant, W. Va., died at a hospital there after a short illness.

ROY W. HOLLAND, 52, executive vice-president of Poulsen of America, Park Ridge, Ill., died at Passavant Hospital, Chicago, after undergoing surgery. Before joining Poulsen in 1953 he was with Loyalty group in A&S work and as a manager at Chicago for 15 years. Later he became chief underwriter and assistant secretary of Security Mutual Life.

B. D. SEAMSTER, 51, counsel of Arkansas Assn. of Insurance Agents, died at Little Rock.

JOHN G. GALLOWAY, 51, former president of International Assn. of Health Underwriters and A&H man-of-the-year in 1954, died at Birmingham of cancer. He had been general agent there of Provident L&A. since 1938 and also operated a general insurance agency. President of the International Assn. of A&H U

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Fire and Casualty Insurance



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writers in 1952, he served on the association's executive board from 1951 until the annual meeting last week. For his significant contributions to the health insurance industry, he received the Harold R. Gordon memorial award in 1954.

Mr. Galloway was an organizer of Birmingham Assn. of A&H Underwriters in 1949 and helped form the Alabama and Mississippi associations. He was also an organizer of DITC and a director from 1956-59. In 1951, he developed the first individual hospital admissions plan in the U. S., which was later accepted by Hospital Insurance Council. Despite his long illness, Mr. Galloway testified on behalf of IAHU before the House ways and means committee in Washington last year.

CHARLES E. RIGBY, 72, retired president and treasurer of Blackstone Mutual, died at his home in Providence, after a short illness. He entered the business in agency work in 1902, went with the inspection division of the Factory Mutuals in 1905 and joined Blackstone Mutual in 1911, advancing to engineer in 1918, assistant vice-president in 1929, vice-president in 1932, and president in 1937. He retired in 1952.

CLAUDE E. BRIGGS, 67, Newburyport, Mass., agent, died at Anna Jacques Hospital there.

D. COLE AUSTIN, 61, Spenceport, N. Y., agent, died. He became a partner in the Austin & Fosmore agency when it was formed in 1931.

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Stocks

By H. W. Cornelius of Bacon, Whipple & Co.,
135 S. La Salle St., Chicago, June 21, 1960

	Bid	Asked
Aetna Casualty	77½	79½
Aetna Fire	74	76
American Equitable	38	40
American, Newark	26	27
American Motorists	13½	15
Boston	33½	34½
Continental Casualty	73½	75
Crum & Forster	67	71
Federal	56	58
Fireman's Fund	53	55
General Re.	97	100
Glens Falls	34½	35½
Great American	43½	45
Hartford Fire	47	49
Hanover	44	46
Home of N. Y.	55½	56½
Ins. Co. of No. America	65	67
Jersey Ins.	31½	33½
Maryland Casualty	36	37½
Mass. Bonding	40	42
National Fire	145	150
National Union	35½	36½
New Amsterdam Cas.	49	51
New Hampshire	51	53
North River	35½	36½
Ohio Casualty	24	26
Phoenix, Conn.	76	78
Prov. Wash.	20	21½
Reins. Corp. of N. Y.	21	22½
Reliance	52½	54
St. Paul F. & M.	56	58
Springfield F. & M.	33	34½
Standard Accident	47½	49
Travelers	85	87
U. S. F. & G.	41	43
U. S. Fire	28½	29½

Sheldon Marks His 50th Insurance Birthday

(CONTINUED FROM PAGE 1)

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Wade Fetzter Jr., president of Alexander & Co., was master of ceremonies at the dinner. He introduced the head table dignitaries—Milton W. Mays, vice-president America Fore; Guy T. Warfield, Baltimore agent and a past president of NAIA; Mr. Wolff; Nicholas Dekker, president America Fore Loyalty group; J. H. Sherman, executive vice-president Alexander & Co., and William J. Ryan, vice-president Alexander & Co. Messrs. Ryan, Warfield and Dekker took part in the speaking portion of the evening, in behalf, respectively, of the brokers and associates of Alexander & Co., of agents across the country, and of companies with which Mr. Sheldon has dealt.

A handsome painting was presented to Mr. Sheldon by Mr. Fetzter from his associates and friends.

In the course of the remarks, it was said that Mr. Sheldon was embarking on retirement, but Mr. Sheldon made it clear that such is not his plan, although he is "getting ready for retirement."

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Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valteau & Co., Board of Trade Building, Chicago

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But on the chance that this may usher in a significant new type of money institution Variable Annuity Life might well capture investor fancy. Moreover it has ven dubs for its title on the generic name for the product.

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Texas Auto Rate Hearing Postponed

AUSTIN—The annual auto rate hearing, customarily held by the Texas department in June, has been postponed to an unannounced date in the fall, it has been learned. The delay resulted from the department's desire to gather statistics under the safe driving insurance plan which went into effect Jan. 1 for a six-month period.

It was thought the experience reports would not be available until about mid-September. The normal rate change date on autos has been Aug. 1 in Texas for some time, but it is now indicated that rate changes will be made as of Nov. 1 or later.

Distaff Group Elects

Miss Marjorie Courtwright, Ohio Inspection Bureau, was elected president of Insurance Women of Columbus, O. Miss Frances A. Burnett, American Surety, was named vice-president; Miss Marion Reeves, Gregg agency, recording secretary; Miss Esther Wulff, Kirkpatrick's agency, corresponding secretary, and Miss Betty Thomas, W. L. Such agency, treasurer.

National Board Adds 11; Now Has 210 Total

National Board has added 11 company members raising total membership to 210. Among new members are Alpina, Maritime, Reliance Marine, Tokio Marine & Fire, and Washington General.

St. Louis group companies joining are St. Louis F&M.; Washington F&M.; Ins. Co. of St. Louis; and Midwestern F&M. Other new members are Stonewall, and Balfour-Guthrie.

Gold Reslated In N. C.

Commissioner Gold of North Carolina has won the Democratic nomination for reelection. This is tantamount to another four-year term in the "one party" state Mr. Gold defeated John N. Frederick of Charlotte, his only opponent.

McCulley In W. Va. Field

Phoenix of Hartford has appointed James D. McCulley West Virginia special agent with offices at Huntington. He was formerly in multiple line underwriting at Columbus.

Editorial Comment

Watch Your Language—Others Do

Insurance terminology comes under criticism from time to time, which is good for it, though the criticism seldom does much to correct identification. In this connection, the talk by Davis W. Gregg, president of American College of Life Underwriters, at Special Libraries Assn. in Cleveland is refreshing and fascinating. It was reported last week.

Mr. Gregg is a member of the Commission on Insurance Terminology established in 1958 by American Assn. of University Teachers of Insurance to introduce, "in an evolutionary way," greater clarity and exactness in insurance terminology. His talk describes some of the difficulties already encountered by the commission.

To those who do not believe terminology is of much importance to the business, Mr. Gregg's comments will be revealing and educational:

—Countless sales are lost because the public doesn't know what we are trying to say about our products and services.

—Manpower development costs are doubled or trebled because trainers and teachers must explain and re-explain concepts and techniques.

—Stiff taxes and restrictive legislation surround us because legislators cannot seem to understand how we function.

It is difficult to judge which branch of the business has the most difficult terminology, Mr. Gregg observes. The pilot group of the commission was established in 1959, a committee on health insurance terminology. This committee has spent a great deal of its time in its first year determining whether or not it was properly named at the outset.

Mr. Gregg points out that the best type of insurance the life business has to offer is "ordinary." Another observer once commented that he would hate to have the job of trying to sell "standard protection" which is the insignia of one of the prestige organizations in the fire insurance business.

There are many other terms in the property and liability field that are

inexact, meaningless, and even distortionary. He who uses ill defined terms in thinking may arrive at wrong conclusions. If he uses them in communication, he may be misunderstood. It is bad enough when such terms are confined to intramural discussion. It can become positively harmful when they reach the layman, who is very likely an insurance buyer, and who certainly is one unit in the formation of public opinion.

Take the supposedly descriptive term "captive agent." Whoever coined it must have been more concerned with hexing a competitor than describing him. Actually the term does neither. A captive means someone held against his will. Whatever the sins of agency company competitors, their most vehement critics would not accuse them of conscripting salesmen and holding them in bondage.

"Independent" agents sell general lines and place them with five, six, or 20 companies which they represent. Often these same agents sell life insurance and place it by agreement with a single company. Are they, then, independents while selling general lines and captives when selling life? More to the point, property and casualty insurers are acquiring life companies. Their ultimate aim is to induce agents to sell all personal lines and to place them with one organization. If it is to their advantage to do so, many agents will follow this procedure. What adjectives will they use then to describe their status—counselors, professional advisors, brokers, agents, entrepreneurs, insurance storekeepers, protection trouble shooters, one-stop sellers, all lines salesmen, or what?

Some agency company men use "captive agent." Yet they work for one employer. That doesn't make them captives, even though they have considerably less freedom in the disposition of their time, talents and energy than many captive agents.

"Independent" is an odd term to use in describing agents who generally represent companies which for the

most part are still members of bureaus and hence are not entirely independent in their rating and marketing procedures. Conversely, captive agents represent companies independent of bureaus and are therefore pretty free to operate on their own terms. Thus agents who are free or independent represent companies whose pace and product often are determined by the majority vote of a large group of insurers.

In truth, so far as this business is concerned, the one person precisely independent in an insurance transaction is the customer. He is using his independence every day in choosing his source of coverage.

Such terms as "inland marine" and "use and occupancy" can be explained in a sales transaction. But that is exactly the point: There should be no need for such explanations. Every obscure term is a hurdle in the path of a sale. Terms used in marketing should clarify, not mystify.

Another classic example of plainly incorrect terminology is "carrier" to identify an insurance company. The word may do no great harm, though it would indicate that some may not know what business they are in and may confuse the public. A carrier is a firm, or vehicle, or animal such as the ass or camel, in the transportation field. The word is also used to describe a person who bears or transmits disease germs. Persons using the word carrier really mean insurer.

"American agency system" is another puzzling term. It is used in the property and liability insurance business to designate multiple-company agents and the companies that distribute their product through such producers. Yet life agents of the country, working for one company by contract specification, describe themselves, their companies and what they do as the "American agency system."

"Direct writer" is another ambiguous phrase. Reinsurers use it, with some justification, to describe primary insurers as distinguished from their own companies, which do not write insurance for consumers. But most commonly it is employed critically to describe the exclusive agent companies. Yet those agents are paid by commission and many of them regard themselves as very independent indeed, a view in which their companies at times would concur. Many of them

pay their own rent and other expenses, they buy everything they use except applications, they operate on hours set by themselves, and many of them settle all small losses.

It is bad enough when confusing terminology is deliberately employed to obscure the issues and to try to stigmatize rivals. It is worse when it is used in good faith and seriously believed by those applying it. Misuse of terms leads to, among other things, underestimating the competition and confusing the public.

Cardinal Richelieu established the French Academy to keep the French language sharp and clear. So there is a distinguished precedent for the commission on insurance terminology. It has a big job. We wish it a successful career.—J. N. C.—K. O. F.

Personals

Mrs. John A. Diemand Jr., wife of North America's vice-president, with their daughter Deborah, 16, as co-pilot, will compete with 160 other women pilots in the 2,700-mile Powder Puff Derby from Torrance, Cal., to New Castle County airport, near Wilmington, Del. Mrs. Diemand will fly a single-engine Cessna to the coast for the July 9 start of the race, and will stop at Detroit, Milwaukee, Omaha, Salt Lake City, and San Francisco with invitations to mayors of those cities to visit Philadelphia.

Carl Olson, Alexander & Co. and secretary-treasurer of Chicago chapter of Society of Fire Protection Engineers, has been presented with his first heir, a 6 lb. 11 oz. boy named Gerald Carl.

T. C. Anderson Sr., vice-president John Naghten & Co. agency, Chicago, is resting well at University of Chicago's Billings Hospital following major surgery. He is expected to be confined for several weeks.

Deaths

WILLIAM B. KNIGHT, 88, retired field man of the L. B. Leigh & Co. general agency of Little Rock, died. Before he retired about 15 years ago, he was in the Arkansas field for nearly 50 years.

A. E. THOMAS, 63, of the Hutchinson agency, Point Pleasant, W. Va., died at a hospital there after a short illness.

ROY W. HOLLAND, 52, executive vice-president of Poulsen of America, Park Ridge, Ill., died at Passavant Hospital, Chicago, after undergoing surgery. Before joining Poulsen in 1953 he was with Loyalty group in A&S work and as a manager at Chicago for 15 years. Later he became chief underwriter and assistant secretary of Security Mutual Life.

B. D. SEAMSTER, 51, counsel of Arkansas Assn. of Insurance Agents, died at Little Rock.

JOHN G. GALLOWAY, 51, former president of International Assn. of Health Underwriters and A&H man-of-the-year in 1954, died at Birmingham of cancer. He had been general agent there of Provident L&A since 1938 and also operated a general insurance agency. President of the then International Assn. of A&H Under-

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Fire and Casualty Insurance



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writers in 1952, he served on the association's executive board from 1951 until the annual meeting last week. For his significant contributions to the health insurance industry, he received the Harold R. Gordon memorial award in 1954.

Mr. Galloway was an organizer of Birmingham Assn. of A&H Underwriters in 1949 and helped form the Alabama and Mississippi associations. He was also an organizer of DITC and a director from 1956-59. In 1951, he developed the first individual hospital admissions plan in the U. S., which was later accepted by Hospital Insurance Council. Despite his long illness, Mr. Galloway testified on behalf of IAHU before the House ways and means committee in Washington last year.

CHARLES E. RIGBY, 72, retired president and treasurer of Blackstone Mutual, died at his home in Providence, after a short illness. He entered the business in agency work in 1902, went with the inspection division of the Factory Mutuals in 1905 and joined Blackstone Mutual in 1911, advancing to engineer in 1918, assistant vice-president in 1929, vice-president in 1932, and president in 1937. He retired in 1952.

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The Illinois Company of Chicago this week sent out a circular on North American Life of Chicago which created buying interest. The stock has been meeting support lately at the level of 13 after having suffered through a slump. North American Life, the study observes, is selling a less than two-thirds of the high reached in 1958, despite the fact that in the past five years its insurance in force has increased more than 53% and investment income 37%. The Illinois Company sets the 1959 earnings at \$1.05 per share and adjusted book value at \$10.65.

Texas Auto Rate Hearing Postponed

AUSTIN—The annual auto rate hearing, customarily held by the Texas department in June, has been postponed to an unannounced date in the fall, it has been learned. The delay resulted from the department's desire to gather statistics under the safe driving insurance plan which went into effect Jan. 1 for a six-month period.

It was thought the experience reports would not be available until about mid-September. The normal rate change date on autos has been Aug. 1 in Texas for some time, but it is now indicated that rate changes will be made as of Nov. 1 or later.

Distaff Group Elects

Miss Marjorie Courtwright, Ohio Inspection Bureau, was elected president of Insurance Women of Columbus, O. Miss Frances A. Burnett, American Surety, was named vice-president; Miss Marion Reeves, Gregg agency, recording secretary; Miss Esther Wulff, Kirkpatrick's agency, corresponding secretary, and Miss Betty Thomas, W. L. Such agency, treasurer.

National Board Adds 11; Now Has 210 Total

National Board has added 11 company members raising total membership to 210. Among new members are Alpina, Maritime, Reliance Marine, Tokio Marine & Fire, and Washington General.

St. Louis group companies joining are St. Louis F&M.; Washington F&M.; Ins. Co. of St. Louis; and Midwestern F&M. Other new members are Stonewall, and Balfour-Guthrie.

Gold Reslated In N. C.

Commissioner Gold of North Carolina has won the Democratic nomination for reelection. This is tantamount to another four-year term in the "one party" state Mr. Gold defeated John N. Frederick of Charlotte, his only opponent.

McCulley In W. Va. Field

Phoenix of Hartford has appointed James D. McCulley West Virginia special agent with offices at Huntington. He was formerly in multiple line underwriting at Columbus.

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Oregon AR Plan Rules Are Amended

On July 15, Oregon Automobile Assigned Risk Plan will be amended: The main changes are:

—The deposit per car will be \$25 instead of the present \$5.

—Coverage will become effective 12:01 a.m. of the day following the second working day after receipt of the notice of assignment by the company.

—If the applicant does not pay the balance of the premium within 15 days after it is quoted by the company, the company will retain \$10 or the short rate earned premium, whichever is greater.

—Risks who require filing of financial responsibility will be permitted an assignment period of five years in the same company.

—Heretofore, the surcharge has applied only because of convictions or accidents which occurred within the immediately preceding three years. Under the revised plan, the 35% surcharge will apply as long as a certificate is filed because of a conviction or judgment.

A higher deposit with coverage after two working days and a five year assignment period for certified risks were suggested by agents who have been critical of the time it has taken to obtain coverage and filing with the department of motor vehicles. Also, since filing is required under the Oregon law for five continuous years, agents have felt it was inconvenient for them and their clients to be required to submit new applications at the end of three years.

Insurer Doesn't Have To Defend Officer Of Insured Company For Auto Loss

ST. PAUL—American Hardware Mutual has won a decision in Minnesota supreme court that it does not have to defend a suit brought against an officer of a company which carried auto liability coverage in American Hardware.

The ruling came in the appeal of Frank E. Oja, a business man who wanted American Hardware to defend a suit brought against him as personal owner of a station wagon involved in a fatal accident. The station wagon was covered by a policy issued to Oja's company and registered to it.

The court ruled that the insurer in an auto liability policy covering vehicles owned by a corporation does not have to defend an action brought against a corporate officer as individual car owner.

Wis. Capital Stock Assn. Names Roberts President

Donald T. Roberts, U.S.F.&G., has been elected president of Wisconsin Capital Stock Insurance Assn., succeeding Hilbert O. Herman, Northern of London. T. M. Irvine, American, is vice-president, and Francis E. Bruns, Springfield F. & M., secretary-treasurer. The one-day meeting was held at Moorland Country Club near Waukesha, Wis.

Kemper Promotes Lecomte

Kemper companies have appointed Eugene L. Lecomte assistant general adjuster in the fire department at Boston. With the organization since 1947, his responsibilities will include supervision of fire claim procedures at Boston, assisting with the training of branch claim office fire adjusters, and adjustment of large fire claims.

Knapp Is Retiring From Great American

Louis C. Knapp, vice-president of Great American at Chicago, is retiring July 1 after 33 years with the organization. Mr. Knapp's responsibilities will be divided among several executives under direction of Earl R. Sanborn, vice-president.

After service as an aviator in World War I, Mr. Knapp spent several years as assistant claims attorney with a Chicago general agency. In 1927 he joined Great American Indemnity as claims superintendent. He later advanced to superintendent of the bond department, then to assistant manager of the western department. He was named manager in 1938 and vice-president in 1950. Following the merger of Great American Indemnity into the parent in 1958, he was elected vice-president of Great American.

Mr. Knapp is past president of Chicago Assn. of Casualty & Surety Managers, and also served as secretary-treasurer of Surety Underwriters Assn. of Chicago. He has not yet indicated his future plans following retirement.

1960 Fire Prevention Week Promotion Material Ready

Materials to promote 1960 Fire Prevention Week Oct. 9-15 are available from the public relations department of National Fire Protection Assn. at 60 Batterymarch Street, Boston.

The material includes home and school inspection forms, facts about fires as an aid in teaching that fires and fire deaths are not accidents, and stickers for emergency telephone numbers.

Retire From Hartford Fire

Two veterans at Minneapolis of Hartford Fire are retiring after combined service of 85 years with the company. W. R. Koch, chief examiner, joined the company in 1916 and Per Algot Olson, superintendent of agency accounts, in 1918.

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Treasury Publishes 1960 Bond Limits

(CONTINUED FROM PAGE 1)

	1960	1959		1960	1959
Continental	82,412,000	—	National Surety	3,816,000	3,296,000
Comopolitan Mutual	676,000	—	National Union Fire	3,500,000	2,861,000
*Consolidated Mut.	596,000	—	National Union Indem.	403,000	377,000
*Constellation	264,000	203,000	*Netherlands	430,000	385,000
Employers Casualty	778,000	660,000	New Amsterdam Cas.	3,231,000	3,194,000
Employers Fire	1,237,000	1,095,000	New England	1,372,000	1,227,000
Employers Mutual Cas.	1,286,000	1,288,000	New Hampshire	2,859,000	2,647,000
*Employers Liab.	4,123,000	3,676,000	N. Y. Underwriters	1,608,000	1,505,000
Employers Mut. Liab.	5,499,000	5,549,000	Newark	1,476,000	1,403,000
Equitable F&M.	2,371,000	2,140,000	Niagara Fire	16,449,000	—
Farmers Elevator Mut.	1,633,000	1,499,000	North American Re	3,248,000	3,128,000
Federal	334,000	304,000	*North British	1,174,000	1,105,000
Fidelity & Cas.	11,577,000	10,786,000	North River	4,916,000	4,802,000
Fidelity & Deposit	11,901,000	12,231,000	Northeastern	586,000	556,000
Fidelity-Phenix	5,191,000	4,862,000	Northern of N. Y.	3,658,000	—
Fireman's Fund	3,843,000	—	*Ocean Accident	1,489,000	1,422,000
Firemen's	18,116,000	15,724,000	Ohio Casualty	2,200,000	2,000,000
Florida Home	9,023,000	9,151,000	Ohio Farmers	1,184,000	949,000
Founders	163,000	123,000	Old Colony	958,000	975,000
General Fire & Cas.	191,000	180,000	Pacific Employers	909,000	929,000
General of Seattle	486,000	481,000	Pacific Indemnity	1,660,000	1,553,000
General, Texas	543,000	515,000	Pacific, Hawaii	182,000	169,000
General Re	8,573,000	8,097,000	Pacific of New York	1,581,000	—
*General Security	266,000	251,000	Pacific National	2,593,000	2,192,000
Glens Falls	5,396,000	5,121,000	Peerless	707,000	489,000
Globe Indemnity	337,000	354,000	Pennsylvania	1,824,000	1,682,000
Granite State	6,001,000	5,621,000	Pa. T.&F. Mut. Cas.	803,000	779,000
Great American	5,150,000	4,912,000	Phoenix, New York	1,780,000	1,686,000
*Guarantee of N.A.	721,000	696,000	Phoenix, Conn.	13,104,000	11,916,000
Guil Amer. F&C.	19,964,000	18,418,000	Progressive Mutual	272,000	227,000
Hanover	217,000	201,000	Providence Washington	1,570,000	1,393,000
Hardware Mutual Cas.	97,000	89,000	Prudential	314,000	333,000
Hartford Accident	2,390,000	2,419,000	Prudential, Eng.	826,000	808,000
Hartford Fire	1,415,000	1,013,000	Public Service Mut.	687,000	506,000
Hayward-Security	15,590,000	14,380,000	Queen	3,748,000	3,557,000
Home Indemnity	41,038,000	36,302,000	Reinsurance Corp.	2,320,000	1,998,000
Home	406,000	404,000	Reliance	5,016,000	4,652,000
Home, Hawaii	1,854,000	1,533,000	Republic, Texas	2,078,000	1,893,000
Houston F&C.	29,399,000	27,501,000	*Royal Exchange	391,000	412,000
Hudson	463,000	453,000	Royal Indemnity	4,016,000	3,847,000
Industrial Indemnity	709,000	730,000	Royal	2,820,000	2,731,000
Inland	285,000	284,000	Safeguard	1,219,000	991,000
North America	13,129,000	12,091,000	St. Paul F&M	15,295,000	14,249,000
State of Pa.	1,015,000	955,000	St. Paul Mercury	1,861,000	1,734,000
Intl. Fidelity	192,000	201,000	Seaboard Surety	1,796,000	1,701,000
Iowa Mutual	54,995,000	53,373,000	*Sea	710,000	661,000
Jersey	869,000	808,000	Secured	273,000	—
Kansas Bankers Surety	213,000	209,000	Security, Conn.	1,563,000	1,508,000
Kansas City F&M.	202,000	167,000	Security Mutual Cas.	1,313,000	863,000
Liberty Mutual	727,000	—	Security National	187,000	180,000
*London Assur.	76,000	76,000	*Skandia	761,000	738,000
*London Guarantee	337,000	336,000	Springfield F&M.	8,450,000	7,588,000
*London & Lancashire	9,722,000	9,380,000	Standard Accident	3,005,000	2,935,000
Lumbermens Mut. Cas.	1,082,000	970,000	Standard, Okla.	269,000	243,000
Maine Bonding	1,311,000	1,264,000	State Auto Mut., Ohio	2,186,000	2,068,000
*Marine	638,000	573,000	State Fire & Cas.	82,000	78,000
Maryland Cas.	3,750,000	3,500,000	Stuyvesant	434,000	395,000
Mass. Bonding	212,000	207,000	Summit F&S.	77,000	70,000
Mercantile	624,000	590,000	Sun, N. Y.	923,000	912,000
Merchants Fire, N. Y.	7,566,000	7,284,000	*Sun Office	868,000	873,000
Merchants Indemnity	2,253,000	1,942,000	Superior Risk	516,000	428,000
Mid-Century	732,000	695,000	*Swiss Re	2,460,000	2,383,000
Millers National	5,545,000	5,276,000	Traders & General	249,000	222,000
Milwaukee	2,142,000	1,931,000	Transatlantic Re	200,000	225,000
Minneapolis F&M.	794,000	745,000	Transcontinental	2,224,000	2,019,000
*Munich Re	380,000	—	Transit Casualty	496,000	454,000
National Auto & Cas.	2,095,000	2,024,000	Transportation	645,000	602,000
National-Ben Franklin	533,000	501,000	Travelers Indemnity	12,000,000	11,000,000
National Casualty	880,000	846,000	Trinity Universal	1,499,000	1,413,000
National Fire	305,000	328,000	Tri-State	216,000	201,000
National Grange Mut.	903,000	861,000	United Benefit Fire	127,000	119,000
National Indemnity	700,000	700,000	United Bonding	59,000	59,000
National Standard	7,010,000	6,125,000	United Pacific	835,000	743,000
	995,000	907,000	United Public	103,000	—
	224,000	203,000	U. S. Casualty	1,068,000	1,110,000
	206,000	—	U.S.F.&G.	18,793,000	14,423,000
			U. S. Fire	8,356,000	8,120,000

	1960	1959
*Unity Fire & Gen.	341,000	322,000
Universal Surety	103,000	108,000
Valley Forge	892,000	858,000
Vigilant	1,536,000	1,450,000
Virginia Surety	135,000	123,000
Wabash F&C.	205,000	274,000
West American	278,000	263,000
Westchester Fire	4,617,000	4,721,000
Western Cas.	1,893,000	1,374,000
Western Fire	801,000	659,000
Western Surety	413,000	371,000
Wolverine	431,000	373,000
Yorkshire	467,000	568,000

N. Y. Fire Engineers Elect

New York chapter of Society of Fire Protection Engineers at its annual meeting elected Alan L. Kling, Olin Mathieson, president. Herbert R. Bogardus, New Jersey Fire Insurance Rating Organization, and Norman E. Carlson, American District Telegraph, were elected vice-presidents; Ross Nagle, Consolidated Edison Co., secretary; and Dean A. Moore, America Fore Loyalty, treasurer.

George G. Blair, Ebasco, and Frank J. Dent, United States Automatic Sprinkler Co., were named to the executive committee.

Brockton Agents Elect Fisher

Brockton, Mass., Assn. of Insurance Agents has elected Donald H. Fisher president; Alden L. Lance vice-president; Allen E. Fisher, treasurer; and Ebba S. Peterson secretary.

Detroit Area Adjusters Sound Off As Lansing Probe Is Initiated

LANSING, MICH.—Public adjusters apparently are sounding off in the Detroit area in connection with a legislatively authorized probe of their activities and those of alleged fire-chasing contractors.

At the first hearing session, Harold Warren, owner of Federal Contracting Co., and a licensed public adjuster, charged insurers have conspired, through their agents, with some adjusters to control adjustments by using favored contracts. He charged that insured often accepts without question loss estimates by these company-favored contractors, thus "eliminating competitive loss estimates."

City Fire Marshal Glenn Thomas heads the investigating committee. Representatives of insurers are to be heard at a later date.

Zurich Promotes Schissler

Zurich has promoted John H. Schissler from assistant superintendent of the Los Angeles claim department. He joined the company in 1956 as claims supervisor and was named assistant superintendent earlier this year. He was formerly with Traders & General.

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